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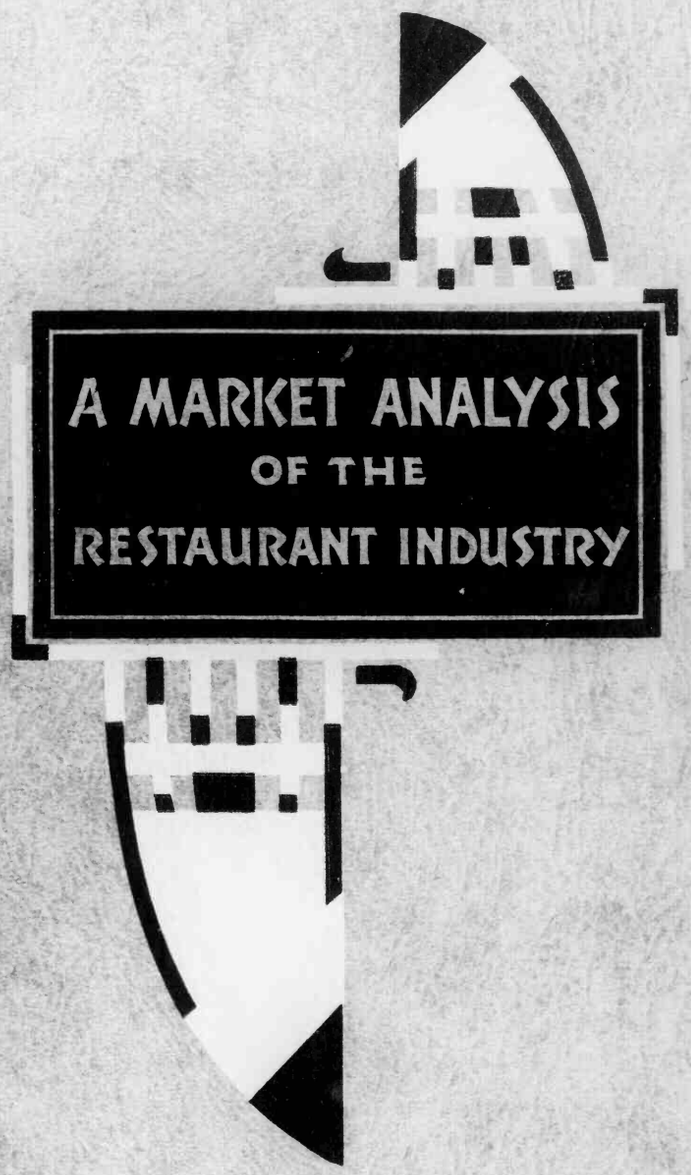

A MARKET ANALYSIS OF THE RESTAURANT INDUSTRY

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TO PICTURE the gigantic size and the great wealth of the restaurant industry of the United States by facts and figures is the purpose of this survey. ¶ Few persons not vitally interested in this rapidly growing business realize the immense proportions it has assumed. Its steady growth in the last few years has been phenomenal. ¶ The more significant statistics have been presented in such a way that they can be readily visualized by business executives. ¶ We wish to take this occasion to thank the various departments of the United States Government; the restaurant industry as a whole; as well as the equipment and food manufacturers and distributors for their hearty cooperation and sympathetic assistance in the . . compilation of this survey. . . .

C. A. Patterson
EDITOR AND PUBLISHER
THE AMERICAN RESTAURANT MAGAZINE

BILL OF FARE

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Section One

The Restaurant Industry

Do You Know That?

—The total annual restaurant sales in the United States approximates $2,586,615,930.00.

—The 23,451 leading restaurant organizations do 78% of this business — approximately $2,017,484,322.00.

—One out of every four persons in urban communities eats at least one meal a day in restaurants — and millions eat all their meals away from their homes.

—Restaurants get 6% of every consumer's dollar and 18% of every out-of-town visitor's dollar.

—There is one restaurant for every 859 persons in urban United States.

—The restaurant industry ranks second in number of units and fourth in volume of sales among specific retail industries.

—The history of restaurants dates back to the sixteenth century.

—The most remarkable growth of the restaurant industry of the United States began in 1919.

—The constant improvement in restaurant service and surroundings, the home-servant problem, more apartment-house residences and the increasing tendency towards urban dwelling are factors that predict for the restaurant industry excellent opportunities for continued expansion.

The following pages contain complete, general information about this big industry.

The Restaurant Industry

THE RESTAURANT INDUSTRY today ranks second in number of units and fourth in volume of sales among specific retail industries of the United States and restaurants owe this position to the ever increasing habit of "eating out" by the American public. While many factors are responsible for the present size of the industry, they can be summed up in a few major influences. Domestic life in America has changed on account of more women in business, servantless homes, small "efficiency" apartments and the tendency towards urban dwelling. However, the public would not continue "eating out" if restaurants were not adjusting themselves to the demand. Restaurants today are serving quality food at reasonable prices, amid pleasant surroundings and with efficient service.

One out of every four persons in urban communities now eats at least one meal a day in restaurants—and millions eat all meals away from their homes. It is not difficult, therefore, to understand how restaurants receive the third largest part of the consumer's dollar. Government figures show that over six cents of the consumer's dollar is being spent in restaurants—only one-tenth of a cent less than we spend for automobiles and a little more than three cents less than is spent for groceries and delicatessen commodities. It is estimated by various civic organizations that 18% of the visitor's dollar goes to restaurants.

Behind all the changes in the eating habits of the American public there has been a chain of developments that leads us far back in the history of the restaurant industry. While we can look to the United States for real progress in the art of feeding the people, it is common knowledge that restaurants existed in foreign lands long before their appearance in this country.

• Evolution and Development

The word "restaurant" was taken from the Latin term "restaurare" meaning "to restore." It originally signified only "restoratative," or "strengthening." It first attained culinary significance in the sixteenth century, being applied to a spiced broth—a "restoratative" beverage—introduced by a Doctor Palissy. Later it was applied to various other "restoratative" or "strengthening" foods, especially to gravy soups, bouillons and similar preparations.

It is generally believed that the first coffee house was established in Constantinople in 1554 A. D., and in 1668 an effort was made to make coffee the favorite beverage of Paris when the Turkish ambassador to that city introduced the custom by having his beautiful slaves serve coffee to his guests. Twenty-one years later, the first French coffee house, the Cafe Procope, was opened to serve coffee and cakes.

However, England had its coffee houses a few years before this. The first is said to have opened in Oxford in 1650. These were used as meeting places where politics and revolution were discussed to such an extent that, in 1675, Charles II deemed it necessary to close them. However, they were soon permitted to open again and their popularity grew apace. The German restaurants in those days did not differ greatly from those of France—except that beer supplanted coffee as the popular beverage. There are some authorities who claim that the history of the restaurant industry began during the French Revolution (1789)—when the aristocrats of France were obliged to hide away for fear of being executed. They would have starved had it not been for faithful servants who fed them secretly. Their rendezvous became known to other aristocrats who were willing to pay a small charge for a well-cooked meal. The reputation of these secret eating places continued after government was established and became known as public restaurants.

During the early Colonial period in this country, wayside taverns and inns—like those in England—were the only eating places.

After the Revolution, such places as the City Tavern in Philadelphia, where George Washington was

'Way Back When—

Old English Coffee House

A Hotel Dining Saloon in 1878

A Popular 1882 Model

An Automatic Lunch Counter of 1896

INTENTIONAL SECOND EXPOSURE

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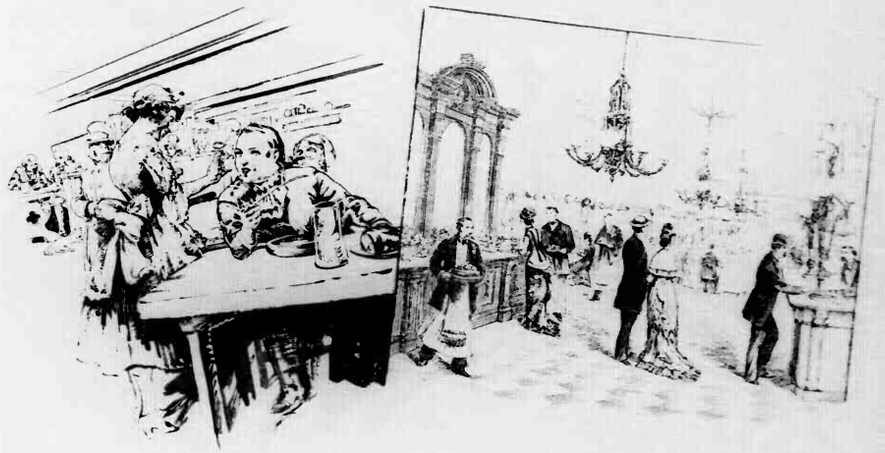

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A Hotel Dining Saloon in 1878

A Popular 1882 Model

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a frequent guest, the Bunch of Grapes Tavern in Boston, Fraunce's Tavern and George Burns' Coffee House in New York came into prominence.

Delmonico appears to be entitled to the honor of establishing the first independent or real restaurant in this country. His place was opened in New York in 1827. Other New York Restaurants founded in our early history were: Sieghortner's, Browne's, Mouquin's Dorlon's, Sherry's and Churchill's, Keen's and Engel's, Martin's, The Lafayette, The Cafe Boulevard, Allaire's, Donovan's and the Hofbrau Haus.

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New Orleans owes her fame for good food to the culinary artistry of her early restaurateurs. Antoine's and Begue's earned praise for the quality of food served. The former was founded in 1840 by Antoine Alciatore and was the favorite rendezvous for such guests as Henry Clay, General Boulander, and the Grand Duke Alexis, brother of the Czar of Russia. LaLouisiane has also achieved fame for its French cuisine and for the skill of Anatole its "cuisinier extraordinaire."

In Chicago in 1827 Archibald Caldwell was said to have established the first tavern and in 1856 S. H. Thompson started Chicago's first restaurant. Other early restaurateurs in this city were Philip Henrici and Colonel John S. Wilson—who opened Wilson's Oyster House at Clark and Madison Streets which later became the Boston Oyster House and is still in the same location. It was at the Boston

A Modern High-Class Service Restaurant

Another Up-To-Date Restaurant

The World's Largest Sandwich Shop

The Mechanical Restaurant of Today—An Automat

Oyster House that Charles E. Rector, famous restaurant operator, received his early training. Kinsley's and Billy Boyle's Chop House must be mentioned as two of Chicago's early popular high-class eating places.

Railroad lunch counters were perhaps the first departure from the regular type of restaurant. These were followed in quick order by the dairy lunch room—the first of which was established in Chicago in 1884.

The lunch counter idea had a traditional place in the affections of many restaurant men and they apparently were loathe to recognize the immense change that was possible in their business.

John Kruger, an early Chicago pioneer, had seen the Smorgen bord eating places on a trip to Sweden and decided to introduce them in Chicago. The name Smorgen bord didn't appeal to him, so he called his establishment "cafeteria"—a word of provincial Spanish origin meaning "coffee pot." While Kruger's idea did not take a firm hold upon the restaurant operators of his time, he had left his imprint upon the business in a way that finally went far towards solving the employee problem and reducing the cost of service.

It was not until early in the twentieth century that the restaurant operators began to give up the counter and install chairs. Self service followed naturally until today many of the first class houses are equipped with arm chairs and tables and chairs and the patrons wait upon themselves. This, of course, included the Automats, which were first started in this country in Philadelphia about twenty years ago. Horn and Hardart, fathers of the first successful American automat, now have handsome restaurants of this type in some of our larger cities.

The most remarkable growth of the restaurant industry, however, has been since 1919. Up to that time, it was only in the high-class restaurants that much thought and attention was given to the quality of food served, and the average restaurant was just a place to eat—depending on the serving of alcoholic beverages to whet the appetite of the patron. However, after the enactment of the eighteenth amendment the men who had depended upon liquor for their profits discovered that they had been blind to a new trend in operation which had started in the latter years of the nineteenth century and gained increasing momentum in the early years of the present era.

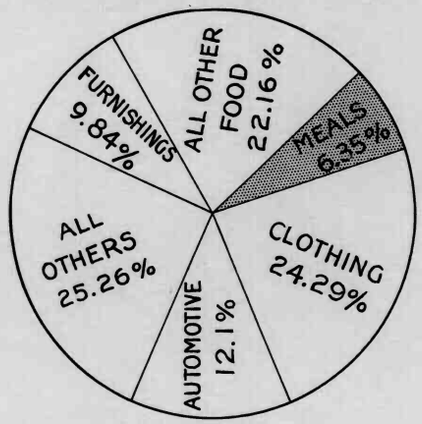
While in 1919 a survey of the entire country showed only 40,600 restaurants, it is estimated that there are approximately 120,000 restaurants in the country today—or almost three times the number of a decade ago.

• Present Size

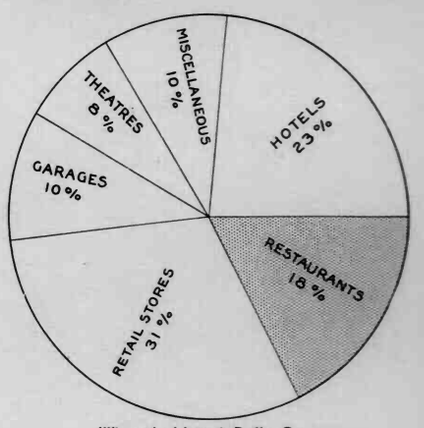
There are 80,235 restaurants serving the urban portion of the United States—68,955,521 persons—or one restaurant for every 859 persons. While there are approximately 40,000 more restaurants in the rural districts, to reach this group by salesmen usually means a high selling cost for the volume of business that might be obtained.

The figure given above for the number of inhabitants per restaurant conforms with that obtained in the eleven-city Census of Distribution conducted by The United States Bureau of the Census, and this census showed *only the grocery and delicatessen field to surpass the restaurant industry in number of units* with 325 inhabitants for each grocery and delicatessen store.

The same census revealed that *restaurants did 6.37% of the total volume of retail sales*—only surpassed by department stores which led with 14.57% of the total, followed by grocery and delicatessen stores with 11.56% and automobile establishments with 7%. Further statistics showed average yearly sales per restaurant were $32,238.00. On this basis *the 80,235 urban restaurants do an annual business of $2,586,615,930.00.*



How the Consumer's Dollar Is Spent



Where the Visitor's Dollar Goes

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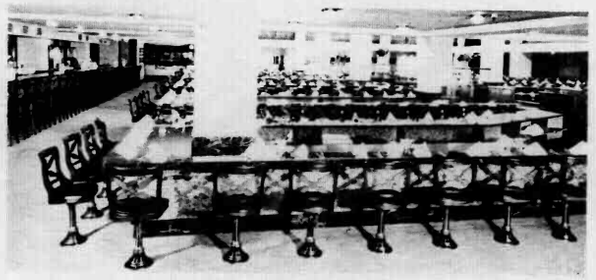

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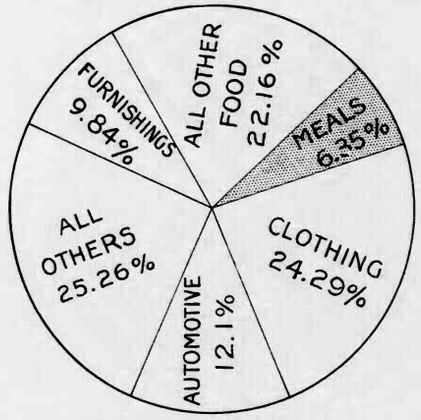

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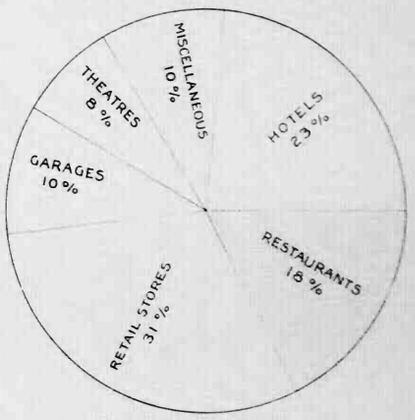


Where the Visitor's Dollar Goes

• Conditions in the Market

In a field large enough to be doing such a vast amount of business there is naturally a huge difference in the sales volume of individual units. To the extent that the manufacturer can concentrate on the more important outlets he saves sales expense, reduces cost of distribution and exposes his business to less risk from credits.

As far as can be estimated from reliable sources of information there are in the United States today approximately 3500 chain restaurants. According to the government figure for average sales per chain their total annual sales would be $310,089,500. The remaining $2,276,526,430 of the total restaurant business is therefore done by 76,735 independents.

A government survey shows that 75% of the total volume of business done by independent restaurants is concentrated among 26% of those places. Therefore, there are 19,951 independents with an annual sales volume amounting to $1,707,394,822. Add to these the 3500 chains and their business and it is found that 23,451 restaurants have annual sales of $2,017,484,322. *In other words, 29% of the total number of restaurants do 78% of the business.* With the remaining 71% trying to struggle along with only 22% of the business, it is obvious that the need for selective selling is as important in this field as it is in most other retail fields.

While 23,451 restaurants control the bulk of the business, *only approximately 20,326 of these require sales contact* since the 3500 chain units are operated by approximately 375 central organizations.

• The Future

There are various factors which predict for the restaurant industry excellent opportunities for expansion, and while the growth within the coming years may not be as rapid as it has in the past decade it at least should be more constant.

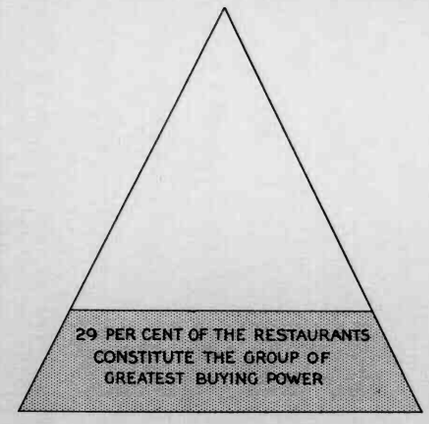
The industry today is on a high plane and its destiny is guided by men and women of the highest type. The constant improvements in restaurant service and surroundings which they are fostering insure for the future a continuation of the confidence which the "eating out" public has placed in restaurants.

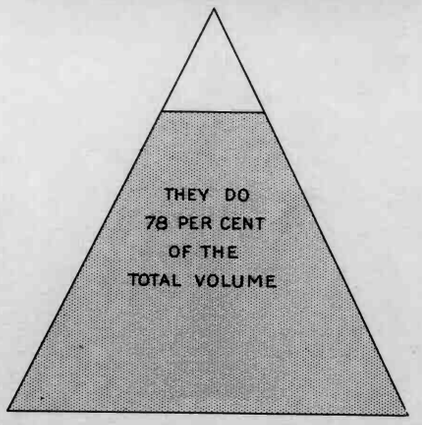
Another tendency certain to increase the decline in home-cooking is the household-servant problem which has become intensified through restrictive immigration laws.

Naturally apartment dwellers depend to a greater degree upon restaurants than people living in single-family homes—and annual surveys on residential construction by the Bureau of Labor Statistics of the Department of Labor reveal a marked trend in modern city life toward apartment-house residence.

Probably the most important factor that is causing the growing trend of food consumption away from the home is the increasing tendency towards urban dwelling. In 1920 only 51.4 per cent of the total population of the United States was urban. Now the urban population is definitely predominant for the 1930 census showed that urban district dwellers are 56.2 per cent of the total.

The "Eating Out" Habit—Four Out Of Five Have It





Section Two

Types of Restaurants

Service Restaurants
Cafeterias
Lunchrooms
Coffee Shops
Sandwich Shops
Dairy and Self-Service Lunchrooms
Soda Lunchrooms or Luncheonettes
Tea Rooms
Industrial Restaurants

INTENTIONAL SECOND EXPOSURE

• Conditions in the Market

In a field large enough to be doing such a vast amount of business there is naturally a huge difference in the sales volume of individual units. To the extent that the manufacturer can concentrate on the more important outlets he saves sales expense, reduces cost of distribution and exposes his business to less risk from credits.

As far as can be estimated from reliable sources of information there are in the United States today approximately 3500 chain restaurants. According to the government figure for average sales per chain their total annual sales would be $310,080,500. The remaining $2,276,526,430 of the total restaurant business is therefore done by 76,735 independents.

A government survey shows that 75% of the total volume of business done by independent restaurants is concentrated among 26% of those places. Therefore, there are 19,951 independents with an annual sales volume amounting to $1,707,304,822. Add to these the 3500 chains and their business and it is found that 23,451 restaurants have annual sales of $2,017,484,322. *In other words, 20% of the total number of restaurants do 78% of the business.* With the remaining 7%, trying to struggle along with only 22% of the business, it is obvious that the need for selective selling is as important in this field as it is in most other retail fields.

While 23,451 restaurants control the bulk of the business, *only approximately 20,320 of these require sales contact* since the 3500 chain units are operated by approximately 375 central organizations.

• The Future

There are various factors which predict for the restaurant industry excellent opportunities for expansion, and while the growth within the coming years may not be as rapid as it has in the past decade it at least should be more constant.

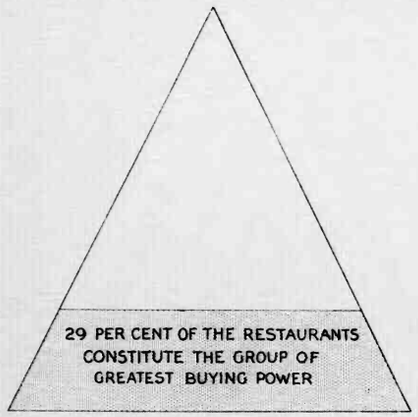
The industry today is on a high plane and its destiny is guided by men and women of the highest type. The constant improvements in restaurant service and surroundings which they are fostering insure for the future a continuation of the confidence which the "eating out" public has placed in restaurants.

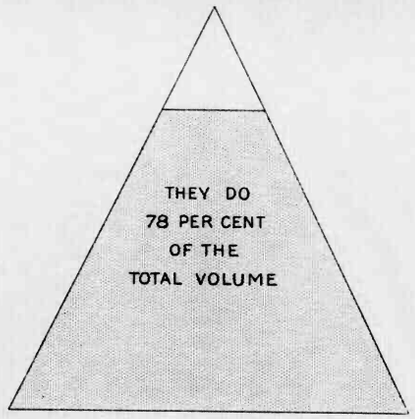
Another tendency certain to increase the decline in home-cooking is the household-servant problem which has become intensified through restrictive immigration laws.

Naturally apartment dwellers depend to a greater degree upon restaurants than people living in single-family homes—and annual surveys on residential construction by the Bureau of Labor Statistics of the Department of Labor reveal a marked trend in modern city life toward apartment-house residence.

Probably the most important factor that is causing the growing trend of food consumption away from the home is the increasing tendency towards urban dwelling. In 1920 only 51.4 per cent of the total population of the United States was urban. Now the urban population is definitely predominant for the 1930 census showed that urban district dwellers are 56.2 per cent of the total.

The "Eating Out" Habit—Four Out Of Five Have It





Section Two

Types of Restaurants

Service Restaurants
Cafeterias
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Industrial Restaurants

Types of Restaurants

• Service Restaurants

Any classification of restaurants according to type must naturally be made to comply with the classifier's own conception of the particular function that the eating place performs. One restaurant might combine the essential features of several types, yet it would only be classified according to the dominating style of service offered. Such a classification must also take into consideration an ever-increasing custom wherein a single restaurant frequently offers patrons two, three, and even four separate and distinct types of service.—*Editor's Note.*

Service restaurants, furnishing meals served at tables by waiters or waitresses, are generally regarded as the standard type of commercial eating place from which all other types and styles of service have been developed. Restaurants coming under this classification satisfy the ultimate desire of the average person, providing a psychological satisfaction in the dignity of being served, in addition to the gustative pleasure of whetting one's appetite on the artistic creations of the restaurant chef. From the patron's standpoint, this type provides the most convenient method of service. From the operator's standpoint, the development of that service requires equipment and furnishings of such kind as to enable him to conduct his business on the most efficient basis, so that he can serve meals at a reasonable speed, in surroundings that are most conducive to continued patronage, at prices that will meet those of his competitor.

The large number of items on the menu and the wide variety of both plain and fancy dishes offered

Luxurious appointments equal to the finest homes.

Wide menu-selection and service supreme.

there, are factors which the kitchen equipment manufacturer as well as the food products concern must take into consideration. The operation of a service restaurant traditionally entails a greater overhead expense than is necessary in the other types. The appeal is generally to a high class clientele who are willing to spend a little more for the convenience and pleasure of being served at well appointed tables.

In the higher overhead lurks the danger of profit leaks, against which the operator must constantly be on his guard. It is no wonder, therefore, that equipment manufacturers should find the service restaurant operator so genuinely receptive to the introduction of time and labor saving devices that can be shown to reduce his labor cost and overhead expense.

Because the service restaurant man must resort to the catalogue method—merchandising his meals from the menu alone—he is constantly on the alert for food items that will add interest to his bill-of-fare and thereby avoid the danger of offering only the same foods, day after day, to the patron with the jaded appetite. For this reason, he has been found particularly responsive to the introduction of new dishes which have been brought to the attention of his patrons by means of national advertising.

Because people patronize his place for the dignity of service as much as for the quality of food, the service restaurant operator must shoulder an added responsibility to provide the most pleasant surroundings and the most agreeable atmosphere within his means.

• Cafeterias

The cafeteria type of self-service restaurant, in which the patron selects his entire meal from display counters and carries it to his table on a tray, was originally sponsored as an experiment in the reduction of labor cost—an economy that was passed on to the patron in the form of lower menu prices. Because he served himself, the patron enjoyed an additional saving by escaping the obligation to tip.

However, not long after the introduction of this style of service, other types of restaurants began to meet the cafeteria's price challenge. It remained for the latter to develop a new merchandising principle, based on the advantage of "eye appeal" in the selection of foods. Believing in the old adage that the eyes are bigger than the stomach, cafeteria operators dressed up their counters and rearranged them to bring increased check averages.

They went ahead on the supposition that a certain percentage of the public would continue to prefer ordering their meals by sight. However, that alone was not sufficient inducement to earn them a permanent popularity. The up-to-the-minute cafeteria today is more apt to attribute whatever business volume it enjoys to the quality of the foods served and the care with which they are prepared.

The saving in service cost is being put into quality

Over a half million spent here in equipment and atmosphere

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Cafeterias, once the ready buyers of the tinsmith's wares, now provide a market for the finest quality equipment. Their kitchens require much the same

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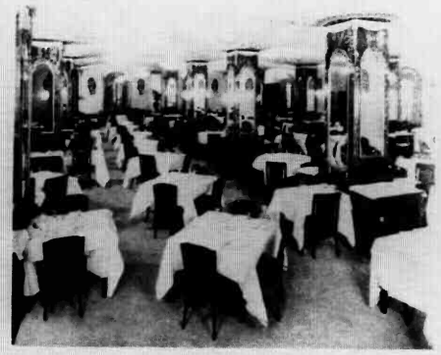

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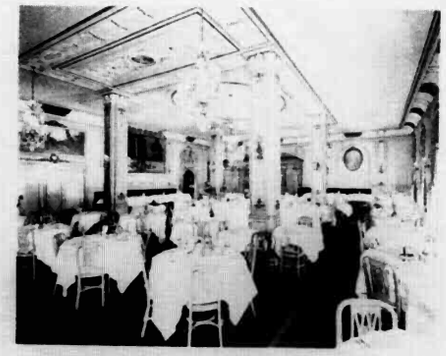

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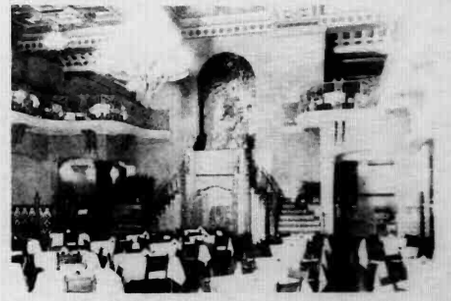

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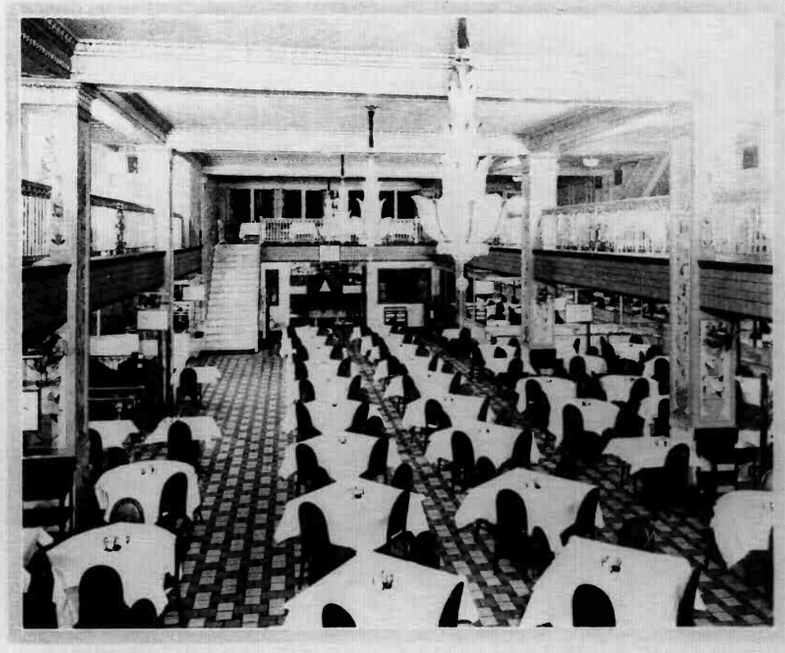


"Eye appeal" as a merchandising force reaches its highest development in the cafeteria.

equipment as service restaurants except that the need for service pantries to supply salads, cold meats, pastries, and so forth, is done away with. Due to the nature of the service offered, this type of restaurant requires much special equipment, such as gas and electrically heated display counters for cooked foods, refrigerated counters for salads and iced dishes and ordinary merchandise display shelves for bakery goods, desserts and specialties.

Also cafeterias must stock a greater supply of china, glassware and silverware, per patron, because most of their volume is done during the meal hours and the necessity for rapid turnover is great.

Fast service, big volume in lunchrooms.

Up-to-the-minute cafeterias are following the lead of the department stores in utilizing advanced illuminating methods for the advantageous display of their merchandise.

Manufacturers of breakfast food and bottled goods have found cafeterias particularly favorable to the use and display of the individual portion container.

• Lunchrooms

Lunchrooms, featuring counter-and-stool service from fully equipped kitchens, represent a very important outlet for equipment and food supplies. Rapid turnover and low average checks are characteristic of this type of service. Low overhead expense makes it possible for many lunchrooms to offer all-day and all-night service. It is not at all uncommon to find such places serving as high as 23 patrons per seat during the 24-hour day. Quite generally the lunchroom will be found to have a smaller seating capacity than any other type of restaurant. However, the lunchroom's facilities for rapid service make possible a quick turnover and enable it to serve many more patrons per seat per hour during the rush hours.

Because of the nature of his business, the lunchroom operator will be found to have a greater interest in short-order equipment as well as package and ice-box foods which can be kept from day to day without too great a risk of spoiling.

• Coffee Shops

The Coffee Shop is much like the lunchroom in plan of operation, with the exception that the counter service, which characterizes the lunchroom, is replaced by table service in the coffee shop. However, light meals and short orders, a menu almost identical to that of the lunchroom, are typical of the coffee shop as well. Some coffee shops combine counter and table service. However, a survey of a large city's restaurants conducted by the U. S. Department of Commerce, showed that only 29 percent of the total seating capacity of coffee shops was in counter seats. The popularity of this type of restaurant is evidenced by the fact that an investigation conducted by *The American Restaurant Magazine* among leading restaurant jobbers throughout the country showed that coffee shops ranked second highest in total numbers of new restaurant installations during the past year.

A typical coffee shop installation.

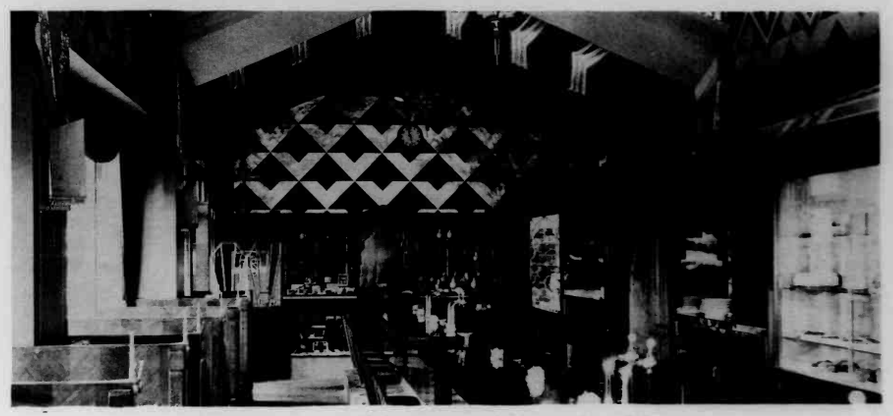
• Sandwich Shops

The sandwich shop sets up a separate and distinct style of service that differs radically in method of

Food prepared before your eyes in the sandwich shop.

operation from all other types of restaurants. The 100 per cent sandwich shop has no kitchen and requires equipment throughout that is especially designed for this type of service. Step-saving and the elimination of waste motion is the chief characteristic of sandwich shop operation. The counters are usually of the horseshoe or multiple horseshoe type. Water faucet, cream dispenser, and sufficient china and glassware are within easy reach of every service girl. Sandwiches are prepared in full view of patrons at specially designed sandwich blocks, equipped with toasters, bread racks and containers for dressings, melted butter, etc. The latest innovation in sandwich service has been the introduction of soda fountain units and compact short-order equipment for the preparation of waffles and griddle specialties.

The dairy lunch combines essential features of both lunchroom and cafeteria service.



And the heart of modern luncheonette service is the up-to-date soda fountain.

INTENTIONAL SECOND EXPOSURE

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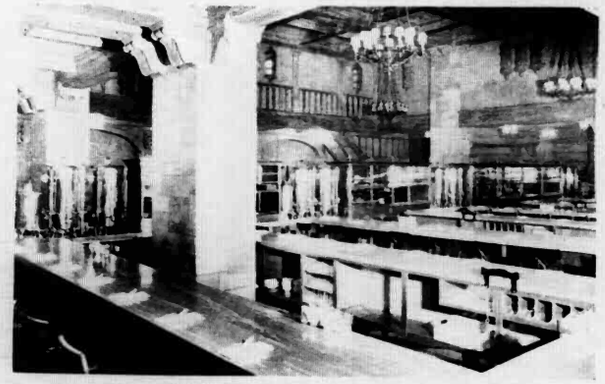

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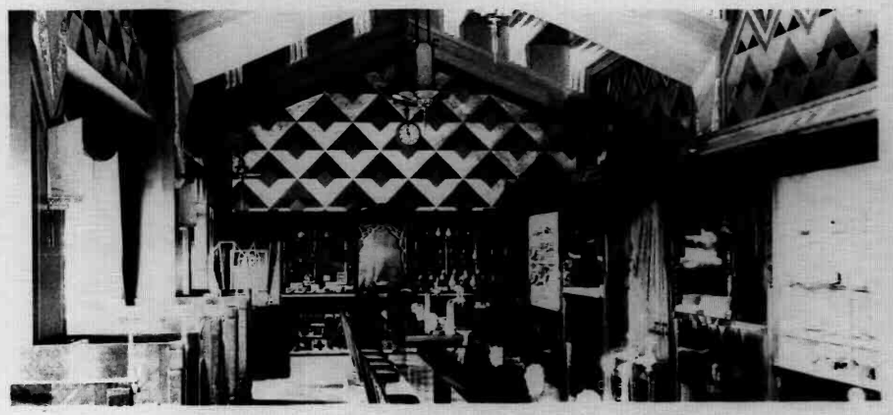


And the heart of modern luncheonette service is the up-to-date soda fountain.

• Dairy and Self-Service Lunchrooms

Dairy and self-service lunchrooms are highly specialized restaurants which serve food at moderate prices and depend upon high turnover for their profits. Most of them have developed around the "one-arm lunch" idea. Because of the nature of their business, they lend themselves readily to chain operation from a centralized commissary. John R. Thompson, The Waldorf System, Baltimore Dairy Lunch, Raklios and Leighton Industries, provide striking examples of chain developments in this type of service. The most progressive dairy and self-service lunchrooms are constantly modernized to keep pace with the prevailing food fashions of the public. Thus we find the once-popular one-arm chair being replaced by good-looking, comfortable chairs and tables. Counter service at fountains is also being added in many units. The old white-tile walls are being supplanted by other materials in richer color harmonies. The facilities for quick service enable the dairy lunch to handle a large volume of patronage, consequently creating a vast market for food products.

• Soda Lunchrooms or Luncheonettes

Just as the heart of the service restaurant's plan of operation is in the kitchen and as sandwich shop service is built around the sandwich-preparation block, so the soda luncheonette service centers around the soda fountain, which is the "heart" of that business. This type of restaurant probably caters to a steadier all-day-long patronage than any other. While it enjoys a good business in sandwiches and fountain drinks during the regular meal periods, the elaborate fountain menu generally attracts a steady flow of between-meal patronage throughout the day. The luncheonette is generally a ready buyer of fancy foods, confections, and soda fountain supplies. An insistence upon high quality merchandise is the general rule, since the quality of food served is the most potent factor in keeping the luncheonette's patronage away from the cheaper drug store soda fountain, even though its prices are generally higher.

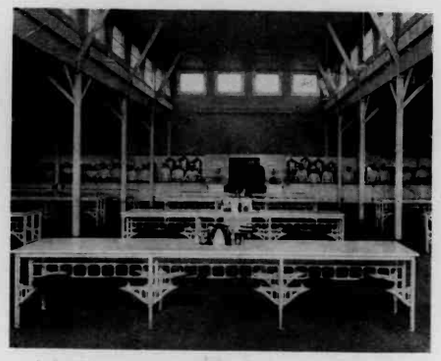
• Tea Rooms

Tea rooms have undergone rapid changes in recent years. Once limiting their appeal only to women patrons, they now capitalize on the home-like touch in their surroundings, at the same time offering better-rounded meals and attracting a goodly number of men guests.

Tea rooms do not differ radically from service restaurants in method of operation—the principal variation being that they prepare meals in smaller quantities and that service is invariably by waitresses rather than waiters. Most tea rooms are operated by women, and most of the employees are of the same sex.

Although this type of operation comprises only a small portion of the restaurant field, a few individual places boast sales volumes that compare favorably with high class service restaurants and the larger lunchrooms.

The tea room—small portions daintily served by women.



Industrials serve balanced foods for employe-efficiency.

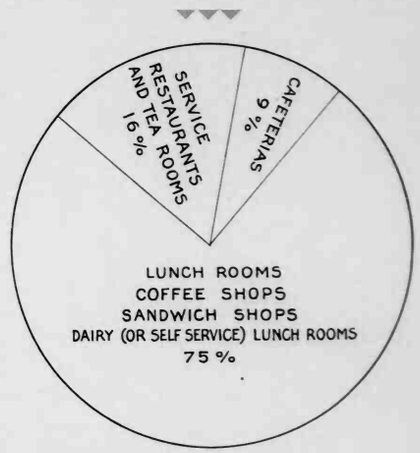
The fountain tea room is a development of comparatively recent date. Soda fountain dishes are featured here. Unlike the regular tea rooms, these places generally cater to the breakfast trade, thereby creating for themselves a larger sales volume. Their ability to satisfy the well recognized demand for light foods daintily served and to draw a heavy trade between and after meal hours, as well as the many long-profit items that comprise the menu for this type of service provide factors which seem to insure for this type of tea room a most promising future in the restaurant field.

• Industrial Restaurants

The industrial restaurant field embraces the feeding of employees in industrial plants and business institutions. This is almost invariably done by means of cafeteria service. There are some factors that influence selling to this market that might not apply to the regular cafeteria field. In the first place, industrial restaurants are not conducted for profit. The corporation that operates its own employee's cafeteria considers itself lucky to break even on the venture. The problem of food merchandising is not nearly so complicated in places of this type. Most of them cater to a known patronage. They know at just what time to expect the biggest rush of business. The operator is dealing with a definite patronage from day to day and he can easily determine what foods will be most satisfactory to his patrons. In addition, the corporations find it to their advantage to provide balanced rations dietetically planned to increase the efficiency of employees.

Industrial restaurants provide what is generally conceded to be a profitable and stable market for equipment manufacturers. In some cases, it is true, the restaurant units are operated as a concession proposition, but in most instances they have the backing of the corporation itself and are therefore considered extra good credit risks.

Industrial operators generally exercise considerable buying power. They require a much greater quantity of dining room equipment than the commercial operator because of the need to feed the entire lot of employees during a stipulated period, allowing sufficient extra time for recreational pursuits. Their food purchases are more or less standardized, due to the accuracy with which they can predict their potential patronage. In addition to the materials for the regular meals served in these places, industrial operators frequently purchase supplies for all parties, dances, and fetes given by the various employee organizations in the plant. Also, they ordinarily have the responsibility for the distribution of candy, tobacco, milk, etc., throughout the plant and generally have full charge of the employee's commissary, handling the sale of working gloves, overalls, machinists soap and other requirements of the factory workers.



• Distribution of Restaurants

The chart above shows as accurate a distribution of restaurants throughout the country as THE AMERICAN RESTAURANT MAGAZINE is able to estimate from available government statistics and from the findings of surveys conducted in the field.

Current Trend in Restaurant Installation

The growing importance of lunchrooms, coffee shops and sandwich shops as divisions of the restaurant industry is indicated by the results of a survey conducted by THE AMERICAN RESTAURANT MAGAZINE among restaurant jobbers throughout the country. ¶An analysis of the jobbers' reports on new restaurant installations during the past year reveals the proportions indicated on the chart below.

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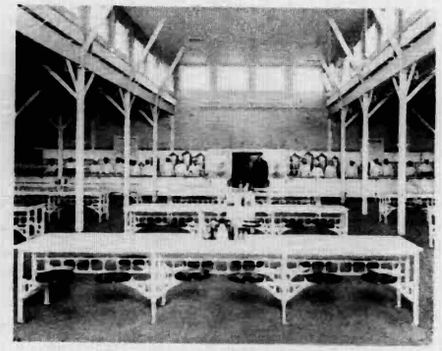


Industrials serve balanced foods for employe-efficiency

The fountain tea room is a development of comparatively recent date. Soda fountain dishes are featured here. Unlike the regular tea rooms, these places generally cater to the breakfast trade, thereby creating for themselves a larger sales volume. Their ability to satisfy the well recognized demand for light foods daintily served and to draw a heavy trade between and after meal hours, as well as the many long-profit items that comprise the menu for this type of service provide factors which seem to insure for this type of tea room a most promising future in the restaurant field.

• Industrial Restaurants

The industrial restaurant field embraces the feeding of employees in industrial plants and business institutions. This is almost invariably done by means of cafeteria service. There are some factors that influence selling to this market that might not apply to the regular cafeteria field. In the first place, industrial restaurants are not conducted for profit. The corporation that operates its own employee's cafeteria considers itself lucky to break even on the venture. The problem of food merchandising is not nearly so complicated in places of this type. Most of them cater to a known patronage. They know at just what time to expect the biggest rush of business. The operator is dealing with a definite patronage from day to day and he can easily determine what foods will be most satisfactory to his patrons. In addition, the corporations find it to their advantage to provide balanced rations dietetically planned to increase the efficiency of employees.

Industrial restaurants provide what is generally conceded to be a profitable and stable market for equipment manufacturers. In some cases, it is true, the restaurant units are operated as a concession proposition, but in most instances they have the backing of the corporation itself and are therefore considered extra good credit risks.

Industrial operators generally exercise considerable buying power. They require a much greater quantity of dining room equipment than the commercial operator because of the need to feed the entire lot of employees during a stipulated period, allowing sufficient extra time for recreational pursuits. Their food purchases are more or less standardized, due to the accuracy with which they can predict their potential patronage. In addition to the materials for the regular meals served in these places, industrial operators frequently purchase supplies for all parties, dances, and fetes given by the various employee organizations in the plant. Also, they ordinarily have the responsibility for the distribution of candy, tobacco, milk, etc., throughout the plant and generally have full charge of the employee's commissary, handling the sale of working gloves, overalls, machinists' soap and other requirements of the factory workers.

• Distribution of Restaurants

The chart above shows as accurate a distribution of restaurants throughout the country as THE AMERICAN RESTAURANT MAGAZINE is able to estimate from available government statistics and from the findings of surveys conducted in the field.

Current Trend in Restaurant Installation

The growing importance of lunchrooms, coffee shops and sandwich shops as divisions of the restaurant industry is indicated by the results of a survey conducted by THE AMERICAN RESTAURANT MAGAZINE among restaurant jobbers throughout the country. ¶An analysis of the jobbers' reports on new restaurant installations during the past year reveals the proportions indicated on the chart below.

Section Three

The Market for Food Products

High Lights of This Section

Restaurants represent a strong force in the present day system of food distribution.

The annual market for food products in the restaurant industry is conservatively estimated at $1,163,977,168.00.

45 per cent of the restaurateur's dollar of revenue is spent in the purchase of food supplies.

Of all money spent by consumers for food over 22 per cent is spent for meals in restaurants.

Restaurants are an ideal proving ground for food products and perform an invaluable function in molding public appetite.

The restaurateur is a quantity buyer of quality merchandise.

Whatever else may influence people to adopt the regular habit of "eating out," nothing is so important as the desire for good food in determining the success or failure of a restaurant to attract this trade.

All food products used by the restaurant operator must answer to the same query, "Will it make more satisfied customers for me?"

Carefulness in buying, desire for quality and thoroughness in determining it characterize buying habits of restaurants.

The restaurant industry offers a freedom of trade and a flexibility of distribution that is a welcome contrast to the price-haggling in other fields.

Many manufacturers of food products organize institutional departments to develop restaurant business.

Surveys on the use of various foods in restaurants reveal unlimited business possibilities for manufacturers.

The Market for Food Products

• Restaurants as Retailers of Food

Figures on the consumption of various food products in restaurants show the importance of these retail outlets as quantity purchasers and at the same time bring into striking relief a fact that has heretofore frequently been overlooked: *the strong force that restaurants represent in the present day system of food distribution.*

With annual sales of the restaurant industry amounting to $2,586,615,930 and 45 per cent of that representing a minimum average cost of food to restaurant operators, *the annual market for food is conservatively estimated at $1,163,077,168.00.*

In the restaurant, we find the manufacturing function combined with that of retail distribution. Hence, the restaurant manager must operate on a wider margin than the grocer, for example, whose function is confined solely to distribution. Whereas the average grocer tries to conduct his business on a 25 per cent margin, the restaurant man will be found to average about 55 per cent. From thirty to sixty cents of his sales dollar is spent for food. The exact figure naturally depends upon the type and class of service offered.

The government's eleven-city Census of Distribution reveals some interesting information regarding the business done in various food commodities by 115,515 retail establishments. An analysis of these figures is revealed in the following chart:

	Number of Outlets	Total Total	Percentage
Groceries and Delicatessen	23,850	$ 403,886,700	33.54
Meals	9,481	268,031,000	22.26
Meat and Poultry	13,400	184,527,100	15.32
Milk, Butter, Cheese and Eggs	11,440	100,543,500	8.35
Confectionery, Ice Cream and Soft Drinks	22,199	99,218,600	8.24
Bakery Products	13,728	75,931,800	6.31
Vegetables	10,153	31,010,900	2.58
Fruits and Nuts	9,625	30,742,800	2.55
Fish and Other Sea Food (fresh)	1,639	10,204,000	.85
Total	115,515	$1,204,096,400	100.00

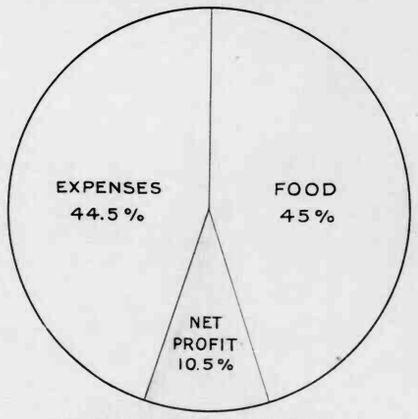
Of all money spent by consumers for food, it is shown that 22.26 per cent is spent for meals in restaurants. Manufacturers may well give serious consideration to an industry that is in a position to wield such a powerful influence on the public appetite.

The restaurant market offers the food manufacturer an ideal proving ground for his product. Public acceptance in restaurants paves the way for the successful introduction of a product in the home. In this respect it is evident what an invaluable function restaurants perform in moulding public appetite. By featuring the nationally advertised brands on his menus, shelves and tables, and in his window displays, the restaurateur gives products the most effective selling tie-up they can have. It is no wonder that leading firms have found in the restaurant field an ideal laboratory in which to test the public appetite for branded foods.

Incidentally, the restaurant can be a valuable aid to the food manufacturer in educating the housewife to prepare food in the proper way. In the home, many a product has been deprived of that favorable "first impression" merely because of some error on the part of the housewife in preparing the dish. But in the restaurant, food is prepared by expert cooks and chefs, and the product is not served unless it is right. Some firms have even found it practical to have their own food experts travel about the country, conducting small-size cooking schools in restaurants and educating patrons in the proper preparation of the dishes that are featured on the menu.

• Buying Habits of Restaurant Operators

In the purchase of food supplies for his place of business, the restaurateur occupies a unique position. *First, he is a quantity buyer of quality merchandise.* Price, while always an important factor in his purchases, is seldom his prime consideration. In this respect, the restaurateur views the manufacturer and wholesaler in much the same way that the housewife regards her grocer. While the housewife is concerned in obtaining those commodities which will meet with the approval of her husband and family, the restaurateur is anxious to please his many hundreds of patrons and, in addition, to secure those products which will help to attract the highest possible percentage of new trade.



How the restaurant dollar of revenue is spent.

Exacting care in food preparation.

A final test for taste.

Buying vegetables for a thousand patrons.

Big buyers can't afford to make mistakes.

Whatever else may influence people to adopt the regular habit of "eating out," nothing is so important as the desire for good food in determining the success or failure of a restaurant to attract this trade. The most successful operators know that nothing can take the place of pleased palates in building a repeat business. That is why they insist on quality foods. The following excerpt from a Kansas City restaurateur's letter will be of special interest to food products concerns who contemplate developing the restaurant market:

> "In order that our customers may be assured that they will get uniformly good food every time they patronize us, we buy a year's supply of the principal items of merchandise such as corn, peas, tomatoes, preserved fruits, etc. Our method of buying is also interesting. We invite the leading jobbers to submit full size sample cans from their regular stocks. One person opens all of these cans and empties each into a separate bowl, the bottom of which is marked with a number to identify it. The solid matter and juice are then weighed separately.
>
> "Color, appearance, and texture are then taken into consideration, following which the heads of the various departments are called in. They taste from each bowl without knowing from whom the food was obtained or the price. We then ballot as to which is the best. The majority of votes decides the purchase in an unprejudiced manner. The foods are then cooked and prepared in various ways to see whether the decision was correct.
>
> "As a matter of fact, every article of food we buy has to come up to a high standard test. For instance, our drinking milk must have 5% butter fat and less than 10,000 bacterial count; our butter is churned daily especially for us; our eggs are from well fed chickens, fresh from a selected, country poultry farm; our coffee is a blend of the highest priced coffees grown — roasted and ground fresh each day; our flour contains the highest protein content; our potatoes, apples, and fruits are purchased from whatever locality produces the best each season."

True, this is just a single instance, yet it exemplifies a carefulness in buying, a desire for quality, and a thoroughness in determining it which is general among worth-while restaurants.

During the past twelve years, the most progressive restaurant men have thoroughly altered their methods of doing business—striving first towards increasing the volume of their patronage, and second towards the elimination of waste. They have been faced with the problem of breaking down a national prejudice against restaurants, the general feeling having existed for many years prior to the enactment of the prohibition law that the public eating place was more or less the tail end of the liquor business.

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INTENTIONAL SECOND EXPOSURE

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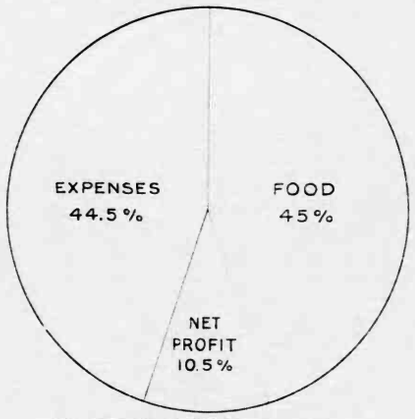

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many instances that feeling was quite justified. The individual operators who helped to bring this unsavory reputation upon the industry were not, in themselves, entirely to blame for this. Poor merchandising on the part of food jobbers and manufacturers also played its part.

A Mid-Western restaurant leader cites an experience of those days that is both interesting and to the point. He had been buying peas at $.95 and, after studying his clientele and analyzing his check averages, he became convinced that he could afford to pay $1.15 for a fancier grade that might be more satisfactory to his customers and at the same time win enough added patronage to increase his business volume substantially.

However, the salesman from whom he requested samples of the various grades deliberately neglected to include samples of the fancier variety and urged him to buy an even cheaper grade at $.70, with the argument that most of the restaurant man's competitors were buying at that price. The salesman couldn't "see through" to the ultimate consumer of his goods — the restaurant man's customer.

Today the situation has changed. The salesman as well as the progressive restaurateur has found in the sale and service of quality foods one of the principal solutions of the restaurant merchandising problem. The wise operator knows that above-the-ordinary food, well-cooked, serves to stimulate business, to increase check averages, and to solve the all-important question of waste-elimination.

The restaurant man's test of a food product and of a patron's satisfaction or dissatisfaction with it is on the plates that are brought to the dishwashing machines after the customer has finished his meal. A clean dish will generally reflect satisfaction on the patron's part. Half-eaten portions returned are a restaurant man's danger signal. They call for an investigation. If he finds no fault in the actual preparation of the uneaten items, then the man who sold the food must provide the answer.

Today's progressive restaurateur is his own most severe critic. *Meats, vegetables, fruits, cooking and baking supplies must all answer to the same query, "Will it make more satisfied customers for me?"* And uniformity in quality of the products he buys is the operator's chief assurance of this. He knows that the success of his business depends on his own aptitude in pleasing the palates of his patrons.

• Conditions in the Market

Any analysis of conditions in the restaurant market will reveal surprising possibilities to the food manufacturer who has had no previous opportunity to study it. In these times, when the steel-eyed, order-signing Mussolinis of the gigantic chains have made the grocery field a buyer's market, *the restaurant industry offers a freedom of trade and a flexibility of distribution that is a welcome contrast to the price-haggling in other fields.*

The weighing test for uniformity.

Fresh fruit must meet highest standards.

The restaurant buyer knows his apples.

Dairy products meet most rigid tests.

In this largest division of the institutional market, chains and independents alike are establishing a keynote of quality. Through boom times and depressions they have maintained a stable market — constantly growing and constantly improving — ever winning new business for themselves and for those whose products they merchandise.

Several nationally known, manufacturing wholesale grocers concentrate their selling efforts entirely on the institutional field. In addition, many small concerns, forced out of the grocery field by the price-fighting chains and group-buying independent stores, have found in the restaurant field a free market for developing the sales of their merchandise. Even the large-scale food products manufacturers have been made to feel the price domination of the chains. Consequently, many of them have been gradually developing their trade in this field.

Among the large concerns who have organized institutional departments to help jobbers and distributors in the development of restaurant business are the California Fruit Growers Exchange, Kraft-Phenix Cheese Corporation, General Foods Corporation, H. J. Heinz Company, The Kellogg Company, Procter and Gamble Company, John Sexton Company, Southern Cotton Oil Trading Company, S. Gumpert & Company, Battle Creek Food Company, Libby, McNeill and Libby, and Wilson & Company.

The close touch with changing market conditions that these organizations constantly maintain enables them to recognize the increasing importance of the restaurant market and to visualize the possibilities of development in this field.

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Surveys on Food Products

INTRODUCTION

The surveys on the following pages contain some important facts about the markets for various food products which were the subjects of recent investigations conducted by THE AMERICAN RESTAURANT MAGAZINE among its subscribers throughout the country.

A general market survey such as this book naturally does not permit a complete, detailed report on the research of each product, but findings are presented which should be of primary interest to manufacturers and agencies studying the restaurant field.

A complete report on the investigation of any product listed in the following pages, including information about the relative popularity of brands, as well as a special outline on the methods of merchandising this product may be secured by addressing the Research Department of THE AMERICAN RESTAURANT MAGAZINE.

• Baking Materials

More than seventy-nine per cent of the worth-while restaurants are producing their own bakery goods. That is the interesting revelation of a comprehensive survey conducted recently.

It seems that in general manufacturers of materials used in baking have so far failed to take full advantage of infinite business possibilities which the restaurant field offers them. Considering the universal desire among manufacturers for increasing sales volume, certainly this apparent neglect cannot be termed purposeful but rather can be attributed to an ignorance of the extent to which restaurants are doing their own baking. Undoubtedly this lack of knowledge as to how many restaurants are baking their own goods has been responsible for many firms overlooking this field entirely and for many others not directing as much selling effort to this field as it deserves.

As far as can be determined, no information concerning the number of restaurants doing their own baking has been available up to this time. Therefore, in order to obtain a true picture of the sales opportunities which the restaurant market offers manufacturers of baking materials, an extensive mail survey was conducted by THE AMERICAN RESTAURANT MAGAZINE among its subscribers throughout the United States. *The result was that 79.8% of the restaurants were found to be doing some or all of their own baking.*

Attractive displays build bakery trade.

Most modern restaurants do their own baking.

Fresh pies and pastries insure satisfied patrons.

The profitableness of restaurants as outlets for baking materials is not only measured by the amount of bakery goods served at meals but also by the extent to which these goods are sold over the counter at retail. In the investigation mentioned above *49.2% of the restaurants doing their own baking reported the sale of bakery goods at retail.*

A favorable indication of the ever-increasing tendency among restaurants to bake their own goods is the fact that *40.0% of the restaurants not doing their own baking stated that they were contemplating producing bakery goods at a later date.*

Progressive restaurant operators realize the business-getting importance of doing their own baking. The American public's desire for good desserts is well-known, and restaurateurs have been alert to capitalize on it. Bakery goods produced on the restaurant's premises offer a higher margin of profit than goods bought from outside establishments and in general sell more readily because of their usually superior quality and freshness. However, the greatest benefit derived is the highly favorable effect upon the restaurant's business as a whole. Increases in general sales volume as high as 75% have been made possible in restaurants after the inception of a bakery department.

Restaurants are known to be able to build up reputations on the single fact that they can offer their patrons home-made bakery goods. One restaurant in Chicago with a seating capacity of

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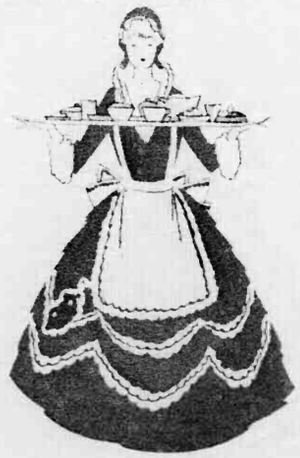

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approximately 800 persons has become so well known for their delicious bakery goods that a considerable expansion of their bakery department was recently necessary to take care of the demand. Now they are making 500 pies, 40 cakes, 6,600 Cloverleaf rolls, 1,800 cup cakes, 1,200 muffins, and 40 pounds of cookies every day.

A complete detailed report on the findings of the survey on baking in restaurants, including a special analysis of the potential market for any baking material as well as an outline on methods of merchandising this product in the restaurant field, is available. Interested executives may secure them by addressing the Research Department of THE AMERICAN RESTAURANT MAGAZINE.

• Navy Beans

Baked beans are popular with the "eating out" public — so popular, in fact, that many restaurants are featuring them as a leader on their menu. Not only are baked beans a delectable dish which most people enjoy but make possible a nice margin of profit for the restaurant operator. Then, too, they are rich in food value and therefore have a health appeal on which restaurants can capitalize. Moreover, on Fridays and during the Lenten season, when there is a general decline in the consumption of meat, the restaurateur is offered an excellent opportunity to feature baked beans among the daily specials.

Approximately 76% of the readers of THE AMERICAN RESTAURANT MAGAZINE buy beans for baking in bulk form. Their annual purchases in individual cases range from 120 to over 12,000 pounds. *The average subscriber uses 1,728 pounds yearly.*

Canned baked beans are purchased by approximately 35% of THE AMERICAN RESTAURANT MAGAZINE subscribers. (As the foregoing percentages indicate, some restaurants buy beans both in raw form and in cans.) Annual individual restaurant purchases of canned baked beans range from 24 to 2,400 cans. *The average subscriber who uses this product buys 373 cans yearly.*

Number Ten can is used by 83⅓% of our subscribers, Number Two can by 16⅔% and Number One can by 8⅓%. Some restaurants use more than one size can, as the percentages indicate.

While restaurants are heavy users of baked beans at the present time, it is evident that they have not taken advantage of the accepted popularity of this dish. Producers of raw beans as well as manufacturers of canned beans will therefore find it profitable to do some effective missionary work in this field through which restaurateurs can be educated to feature baked beans more frequently on their menus and in a greater variety of dishes.

• Breakfast Foods

It has been found that in 75% of the restaurants sales of breakfast cereals are increasing. *87% of the readers of* THE AMERICAN RESTAURANT MAGAZINE *buy their ready-to-serve cereals in individual packages, and the average user purchases 5,169 packages yearly.*

Breakfast foods to be cooked are bought in package form by 56% of THE AMERICAN RESTAURANT MAGAZINE subscribers and in bulk by the remaining 44%. *The average user of this kind of cereal purchases 485 pounds annually.*

It has been commonly thought that warm cereals sell better in Winter than ready-to-serve cereals. However, statistics show that ready-to-serve cereals are having a better sale in more than 40% of the restaurants.

Eight breakfast foods have secured more than 70% distribution among worth-while restaurants, which is some indication of the rich rewards awaiting aggressive selling and advertising effort.

• Bran

The growing popularity of bran with the American public today is attested by the fact that *sales on bran muffins, bran bread and bran in cooking are increasing in eighty-four per cent of the restaurants of* THE AMERICAN RESTAURANT MAGAZINE *subscribers.* Since such a demand has been built up for bran, restaurateurs are receptive to using this product in any logical way possible.

Seventy-one per cent of the subscribers are already baking their own muffins, while twenty-seven per cent are baking bread. With such large percentages of these restaurants baking items in which bran may be employed to such good advantage, manufacturers of bran are offered excellent opportunity for promoting the use of their product.

It is surprising to find that only three manufacturers of bran are now securing the bulk of the market among restaurants. Their products are sold to more than eighty per cent of readers of THE AMERICAN RESTAURANT MAGAZINE. Other alert merchandisers might well investigate the possibilities of securing a larger share of restaurant business.

• Butter

The average subscriber of THE AMERICAN RESTAURANT MAGAZINE *buys 4225 pounds of butter annually.* Yearly consumption in individual cases ranges from 480 pounds to 21,600 pounds. From these figures can be gained some idea of the importance of restaurants as outlets for this product.

Not only are restaurateurs heavy users of butter but they are especially careful in their selection of a brand that will assure them of quality. It is a well known axiom in the restaurant world that as small an item as a pat of butter may determine the success or failure of an eating place.

Fifty-two per cent of THE AMERICAN RESTAURANT MAGAZINE subscribers buy butter direct from creameries, thirty-seven per cent from local butter and egg merchants, and twenty-two per cent from meat packing houses. Some purchase

from two different sources, as the percentages indicate.

• Cheese

Restaurants today are heavy users of cheese because it is not only easy and economical to prepare but makes possible novel and tasty dishes which are especially pleasing to jaded appetites. In addition to macaroni and au gratin potatoes the most common uses for cheese in the restaurant at the present time are as follows: sandwiches (plain and toasted), omelettes, welsh rarebits, fondues, souffles, straws, and croquettes.

The average subscriber of THE AMERICAN RESTAURANT MAGAZINE *purchases 2614 pounds of cheese annually,* and in individual cases yearly consumption of this product ranges from 95 to 16,000 pounds.

When selecting cheese restaurateurs place much more importance upon *brands* as a specification than upon any other factor. *Style, type* and *price* follow in the order of their importance.

• Coffee

Coffee is one of the most important items on the restaurant menu. It is served with 82% of meals every day in restaurants and is therefore a definite criterion by which a restaurant's reputation is judged. Since good coffee is so essential to restaurant success, operators are especially exacting in their selection of this product. To insure freshness restaurant operators have their coffee delivered frequently — some restaurants even receive daily shipments.

The number of cups that a pound of coffee will yield is an influential factor in a restaurateur's selection of one brand of coffee over another. Relatively few restaurants get less than thirty cups from a pound of coffee. The number of cups produced from a pound of coffee in an average restaurant is thirty-eight. In some places it is as high as sixty-four, while in others it is as low as twenty-three.

It is found that the average subscriber of THE AMERICAN RESTAURANT MAGAZINE *buys 3427 pounds of coffee a year.* In individual cases annual consumption ranges from 480 to 24,000 pounds.

• Condiments

Restaurants find many ways of using condiments in the preparation of special dishes — salad dressings, cocktails, etc. Their greatest use of these products, however, is as an added service to patrons for meat and fish entrees. In fact, there is a wide tendency toward placing a bottle of ketchup (or catsup), chili sauce, Worcestershire sauce or other sauces on every table making it unnecessary for the patron to request this service. Since every restaurant can be considered a retail outlet for condiments, this practice offers unusual advertising value to manufacturers of these products—particularly since 64% of the restaurants are already purchasing catchup and chili sauce in bottles and since all buy their Worcestershire sauce this way.

The average subscriber of THE AMERICAN RESTAURANT MAGAZINE *buys 75 cases of catchup and 26 cases of chili sauce yearly, and the average user of Worcestershire sauce purchases 11 cases of this item.*

• Cooking and Salad Oils

Some idea of the large purchasing power which restaurants offer manufacturers of cooking and salad oils can be gained from the fact that the *average subscriber of* THE AMERICAN RESTAURANT MAGAZINE *buys more than 600 gallons of cooking and salad oils yearly.* Annual consumption in individual cases ranges from 60 to over 4000 gallons.

By far the most popular use for cooking and salad oils in eating places now is for making mayonnaise and other salad dressings. The average reader of THE AMERICAN RESTAURANT MAGAZINE uses 64% of his total yearly purchases for this purpose. 30% is used for frying, and 6% for other uses, such as seasoning, shortening, broiling and table set-ups.

• Canned Fish

Canned fish enjoys wide popularity in restaurants. Not only is it served in many different ways as a main dish on the menu, but it is used extensively for sandwiches, salads and cocktails. Restaurateurs find canned fish makes possible a nice margin of profit and therefore use it in large quantities.

An average subscriber of THE AMERICAN RESTAURANT MAGAZINE *purchases 36 cases of canned fish yearly.* In individual cases the annual range of consumption is from 12 to 120 cases.

The various kinds of canned fish rank in the order of their sales in restaurants as follows: (1) Tuna, (2) Salmon, (3) Sardines, (4) Clams and Crabmeat, (5) Lobster.

• Fresh Fish

Statistics recently compiled show that the consumption of fish in restaurants has increased thirty-three per cent since 1927.

Since fish is recommended by doctors on account of its healthful qualities there is an increasing demand for it not only on Fridays and during the Lenten season but every day of the week. Seafood restaurants have certainly capitalized on this demand, and now alert operators of other types of restaurants have realized that by featuring fresh fish daily they not only please their present patrons but are able to attract the business of persons who seek eating places where they might enjoy an occasional fish dinner. The preparation of fish by the average housewife is an unpleasant

Here is a $50,000 stock of food supplies in a restaurant commissary containing almost every commodity used on the American table. (Note the well-known products shown.)

task—then, too, cooking fish in the house means objectionable odors.

Sizes of such fish as fillet of cod, fillet of sole, and haddock and the number of servings per pound of fish are important items of information with which the average inland restaurateur is unfamiliar—but of more importance to the restaurant operator is the profit to them in serving fish. Frequently gross profits will run higher than 300% on this one item. Since this has a direct tendency to lower food costs the result means increased net profits.

The restaurant market is already an important outlet for fish, but there is a definite need for intensive pioneering work among restaurateurs so that they may have a better knowledge of this product.

• Canned Fruits and Vegetables

Restaurant demand for canned fruits and vegetables is steadily increasing. These products have gained wide popularity because they make possible savings in time and labor, cause less waste, have a year 'round market, cost less, and are usually of a better quality. Because of these factors, today approximately seventy per cent of the average restaurant's total yearly purchases of fruits and vegetables are canned goods.

• Canned Fruit

The average subscriber of The American Restaurant Magazine *purchases 470 cases of canned fruit annually.* The range of annual consumption in individual restaurants is from 36 to 7200 cases. The Number 10 can is most popular with restaurants—particularly for those fruits classed as best sellers. The Number 3 can is next in popularity, followed closely by the Number Two size. Some places find the Number 2½ best for their requirements, but these are far in the minority.

• Canned Vegetables

The annual consumption of canned vegetables for the average reader of The American Restaurant Magazine *is 452 cases.* Yearly purchases in individual restaurants range from 48 to 2400 cases. As in canned fruits, certain vegetables are more commonly used than others and purchases are made

in the Number 10 can. Sizes Number 2, 3 and 2½ follow in the order of their popularity.

• Frozen Fruits and Vegetables

The development of frozen foods within the past several years has opened a new avenue of food service for the restaurant operator. Many restaurant men are already taking advantage of the opportunity to include one or two fresh fruits and vegetables in their daily menu the year 'round.

It is generally accepted now that canned foods, particularly vegetables, are less wasteful, far easier to prepare, because they are uniform in size and quality, and are of a higher grade than the goods bought on the fresh food markets. But restaurant men know that the public entertains a preference for fresh foods and the serving of one or two items that are out of season is sure to create a very pleasing impression upon the patron.

The restaurant market offers excellent sales opportunities to manufacturers of frozen fruits and vegetables, but it is necessary now that restaurateurs be educated to the advantages of these products and to the proper method of storing and preparing them.

Ice-box foods ready for the menu.

• Gelatine

More than eighty per cent of The American Restaurant Magazine *subscribers use gelatine. The average user purchases 241 pounds annually.* Yearly consumption in individual cases ranges from 10 pounds to 1000 pounds.

Of the total yearly purchases of gelatine by the average subscriber, 75% is used in desserts, 19% in salads, 5% in puddings and 1% in soups.

Two manufacturers at present control over fifty per cent of the market for this popular product and favorable business possibilities await intelligently directed selling effort of other alert merchandisers.

• Macaroni and Spaghetti

Macaroni and spaghetti may be prepared in any one of a number of tasty and attractive dishes which are popular with restaurant patrons and are sure to strengthen a restaurant's reputation for serving good food. Moreover, they make possible high margins of profit — often even exceeding 500%. Therefore, restaurateurs are favorably inclined to the use of these products in large quantities.

Over seventy per cent of the restaurants are buying macaroni and spaghetti in bulk. Annual consumption of these products by individual restaurants ranges from 120 pounds to over 9500 pounds. *The average subscriber of* The American Restaurant Magazine *uses 952 pounds of macaroni and 1041 pounds of spaghetti yearly.*

Canned spaghetti is also used to a large extent in the restaurant field. Many eating establishments buy it to the exclusion of bulk or packaged spaghetti, while others use both kinds. Canned spaghetti is bought by over twenty-two per cent of restaurants, who find that it effects not only a considerable saving in time and labor but also a satisfactory profit. Over seventy per cent of the restaurants are using the Number One size can. Measured in terms of this size can *the average reader of* The American Restaurant Magazine *uses thirty-five cases of canned spaghetti annually.*

Greatest of care in aging meats to perfect ripeness.

• Meat

The purchase of meat by restaurants is the largest single item in the total expenditure for food supplies. It represents from twenty to thirty per cent of every dollar spent for food. In other words, since the food cost of the average restaurant is forty-five cents on every dollar of revenue, *from nine to fourteen cents is the amount expended for meat purchases.*

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The reason for the heavy consumption of meat is that it is served in more than three out of every four meals. Therefore, since restaurateurs are laying much emphasis on the buying of quality food no other item receives as much attention as the selection of meat. The success of many restaurants has been built upon their specializing in steak and chop dinners — and the reputation of many others is established on their featuring of ham or corned beef.

Unlike local slaughter houses and other questionable sources with which we all are familiar, nationally-known, government-inspected packers can offer restaurants quality meat of consistent uniformity and exact specifications as to weight and will render a valuable service in suggesting various meat recipes pleasing to restaurant patrons and profitable to restaurant operators.

• Canned Milk

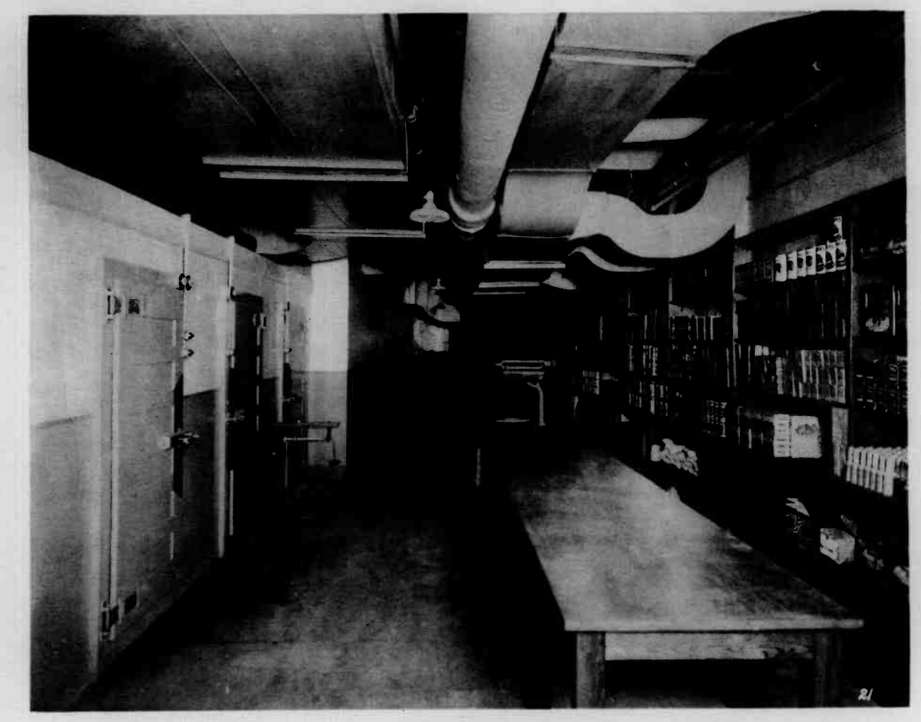
While it is known that at least fifty per cent of THE AMERICAN RESTAURANT MAGAZINE subscribers use canned milk, definite information as to the actual number of restaurateurs using this product has been difficult to obtain. The reason for this is that restaurant operators in general are somewhat reluctant to admit the use of anything but bottle milk.

Sixty per cent of the canned milk users buy condensed milk, twenty per cent evaporated milk and twenty-one per cent powdered milk.

The most popular use for canned milk in restaurants is for baking, for coffee (with whole milk and cream) and for ice cream making. *Baking is the most extensive use for canned milk and more than seventy-nine per cent of the worth-while restaurants are doing their own baking.* (See Baking Materials survey.) This is probably the best indication of the importance of restaurants as potential buyers of canned milk.

• Oleomargarine

Close to twenty per cent of THE AMERICAN RESTAURANT MAGAZINE subscribers report the use of oleomargarine. Undoubtedly there is even a higher percentage using this product but restaurant operators seem rather non-commital on this subject. *The average user buys 549 pounds a year.* Annual consumption in individual restaurants ranges from 120 to 1200 pounds.



A restaurant stock room carrying three times the supplies of an average grocer. Here quality is the barometer rather than price—and turnover is constant and fast.

The "daily supplies" shelves in a restaurant commissary. What grocer caters to such a known demand or offers such a variety and quantity of supplies?

Restaurateurs who use oleomargarine realize that it is both a nutritious and wholesome spread which has the appearance and flavor of butter and is more economical to serve. They know, moreover, that it is a much more appetizing food for their patrons than poor grades of butter.

Oleomargarine is used by many restaurants for shortening in frying and baking instead of butter — and it is found that more than 79 per cent of the worthwhile restaurants are now doing their own baking. (See Baking Material Survey.)

The use of oleomargarine in restaurants has already secured wide adoption with little or no pioneering work on the part of manufacturers — and it is certain that if the restaurant industry were educated to the advantages of oleomargarine the sales of this product would show a substantial increase.

• Pudding Powder

Although pudding powder has only attained popularity in recent years, more than 46 per cent of our subscribers are now using this product to serve attractive and profitable desserts. Their annual purchases in individual cases range from 20 to 1000 pounds — *and the average reader of* THE AMERICAN RESTAURANT MAGAZINE *buys 220 pounds yearly.*

At the present time one manufacturer appears to have secured by far the widest distribution among restaurants, but the large number of places that have not as yet been converted to the use of pudding powder offers other manufacturers a potential market of especially rich possibilities.

• Salt

Restaurateurs know that nothing is more irritating than salt that is lumpy—damp—and will not pour. Manufacturers of quality salt therefore find a ready market in the restaurant field.

It may be difficult to realize the vast amount of salt used by restaurants annually — but *an average subscriber of* THE AMERICAN RESTAURANT MAGAZINE *buys 1882 pounds yearly,* and the annual consumption of salt in individual cases ranges from 180 to 21,600 pounds. At the present time it

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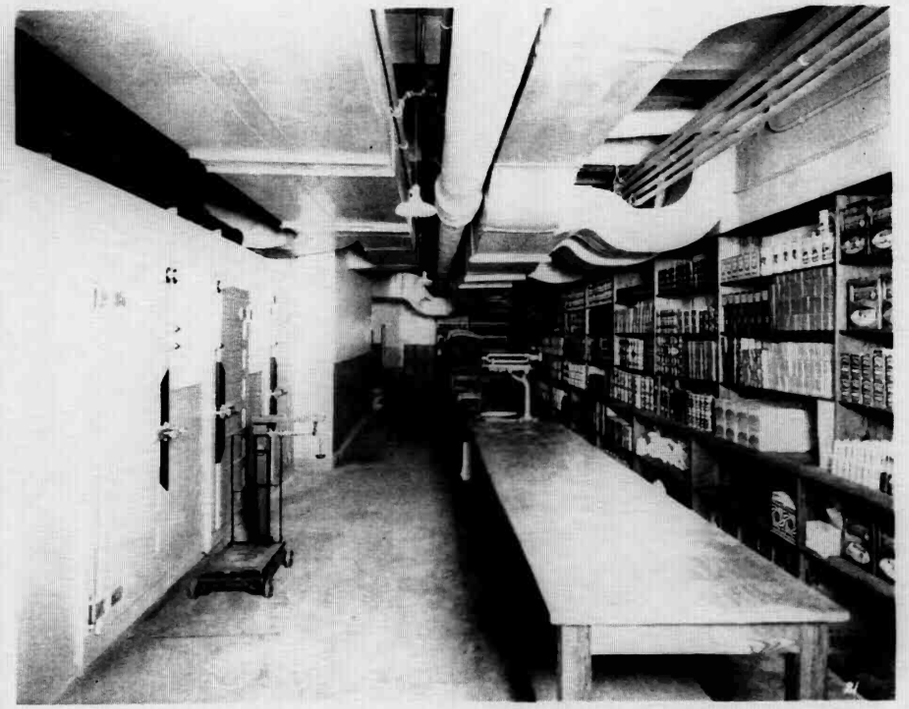

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• Sugar

The average reader of THE AMERICAN RESTAURANT MAGAZINE *buys 1599 pounds of sugar yearly.* Figures on the consumption of this product in individual restaurants range from 900 to as high as 300,000 pounds.

Restaurants attach much importance to brands in the purchase of this product and while two brands lead in popularity more than fifteen appear to be getting a good share of restaurant business.

• Table Syrup

Restaurants use considerable quantities of syrup on waffles, pancakes and fritters every day. The amount of syrup used by individual restaurants varies, of course, with the size of the establishment and the extent to which the three items just mentioned are featured.

The average subscriber of THE AMERICAN RESTAURANT MAGAZINE *uses one hundred and ninety gallons of table syrup yearly.* Annual consumption in individual eating places ranges from ten gallons to over one thousand gallons.

Waffles, pancakes and fritters are popular with restaurant patrons. Many restaurants have built their reputation upon the sale of waffles alone. Pancakes still rank as a favorite breakfast dish. Recent years have seen an increasing tendency towards the serving of various kinds of fritters at lunch and dinner. All these are factors which contribute to the use of large amounts of table syrup.

Restaurants rank third in the distribution of cigarettes, cigars and tobacco.

• Tea

More than ninety-two per cent of the restaurants purchase tea in individual bags. Restaurants have taken the guess work out of tea making by using these bags and have found, moreover, that this method has resulted in considerable savings in time and labor.

The annual purchases of THE AMERICAN RESTAURANT MAGAZINE subscribers range in individual cases from 600 to 36,000 bags, and *the average reader buys 9420 bags yearly.*

An interesting tea fact is that 92.8 per cent of the restaurant operators state that orange pekoe is preferred by their patrons, while green tea is more popular in only 7.2 per cent of the restaurants.

Five brands are leading in popularity and combined are used by over thirty-four per cent of the restaurants.

• Tomato Juice

The use of tomato juice in restaurants offers a very interesting story. Despite the fact that a very meagre amount of promotion has been carried to the public in general and to the restaurant operator in particular *87.5% of the restaurants are serving this product* and those not serving it have shown much interest in having further information regarding it.

The restaurant is a natural sales outlet for candies, gum, delicatessen products, coffee, etc.

Breakfast sales of this product lead by a considerable margin, for it is found that 48.8% of the tomato juice orders of the average restaurant are served at this meal—32.6% at the luncheon period—and 18.6% at dinner. The number of dinner orders are mounting, however, since more restaurants are starting to feature tomato juice on their table d'hote dinners as well as a la carte.

Opportunity apparently exists to offer specialized information to the restaurant trade concerning the health qualities of tomato juice as well as its stimulating effect on the appetite.

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• Cashier's Sales

Almost neglected has been the development of the restaurant market for a number of items that find a most natural outlet over the cashier's counter in food-service establishments.

Cigars and cigarettes, candies of all sorts, chewing gum, souvenirs, novelties, small packaged confections, and even delicatessen products enjoy a tremendous sale in restaurants despite the fact that the manufacturers of these products have done comparatively little to develop the market. In many localities, restaurant men have carried high annual cigarette taxes to meet the natural demand of patrons for a smoke after their meal — yet the cigarette and cigar manufacturers have done little to help the restaurant man pay for that tax out of his tobacco profits. Tobacco tastes are frequently determined at the dinner table after the meal. Brands appear on the table and they frequently become a topic for discussion. For its sales promotion value alone — regardless of the number of sales actually consummated — the restaurant field is well worth the tobacco manufacturer's earnest study.

The eleven-city Census of Distribution revealed the fact that restaurants were the third most important outlet for cigars, cigarettes and tobacco — doing 7.51 per cent of the total retail sales of those commodities. The following chart shows a complete analysis of the proportion of these products passing through the different types of stores covered by the Census and furnishes significant data on consumption:

CIGARS, CIGARETTES AND TOBACCO

Kind of Store	Outlets	Sales	Per Cent of Total
Cigar and Tobacco	3,280	$44,272,600	62.16
Drug	2,961	11,773,600	16.53
Restaurants	2,130	5,350,500	7.51
Confectionery, Ice Cream and Soft Drink	3,724	4,233,700	5.94
Grocery and Delicatessen	5,603	2,939,300	4.13
Others	1,007	2,652,100	3.73
	18,705	$71,221,800	100.00

With the passing of the old-time confectioner, the restaurant market is rapidly developing into a principal market for candies. This is true, not merely of the nationally advertised bar candies and chewing gum, but the influence of restaurants as outlets for box candies is becoming increasingly apparent. Schrafft's, The Happiness Stores, The Pig 'N Whistle, DeMet's, Huyler's and other nationally known restaurant organizations provide striking examples of restaurant success in merchandising candy.

Candy manufacturers who can foresee the further expansion of this market will appreciate the possibility of working out a plan of national distribution through restaurants. In this respect, they might well look to the building of private brand business in their own line such as has been developed by numerous coffee and tea merchants catering to the restaurant trade.

The outlet for products through cashier's sales is yet in its infancy, but it offers unlimited possibilities to manufacturers with courage to lend their aid in the development of a market that has been practically overlooked in the strenuous competition of the prosperity era.

INTENTIONAL SECOND EXPOSURE

appears that the product of only one manufacturer has gained wide distribution among restaurants.

• Sugar

The average reader of THE AMERICAN RESTAURANT MAGAZINE *buys 1599 pounds of sugar yearly*. Figures on the consumption of this product in individual restaurants range from 960 to as high as 300,000 pounds.

Restaurants attach much importance to brands in the purchase of this product and while two brands lead in popularity more than fifteen appear to be getting a good share of restaurant business.

• Table Syrup

Restaurants use considerable quantities of syrup on waffles, pancakes and fritters every day. The amount of syrup used by individual restaurants varies, of course, with the size of the establishment and the extent to which the three items just mentioned are featured.

The average subscriber of THE AMERICAN RESTAURANT MAGAZINE *uses one hundred and ninety gallons of table syrup yearly*. Annual consumption in individual eating places ranges from ten gallons to over one thousand gallons.

Waffles, pancakes and fritters are popular with restaurant patrons. Many restaurants have built their reputation upon the sale of waffles alone. Pancakes still rank as a favorite breakfast dish. Recent years have seen an increasing tendency towards the serving of various kinds of fritters at lunch and dinner. All these are factors which contribute to the use of large amounts of table syrup.

Restaurants rank third in the distribution of cigarettes, cigars and tobacco.

• Tea

More than ninety-two per cent of the restaurants purchase tea in individual bags. Restaurants have taken the guess work out of tea making by using these bags and have found, moreover, that this method has resulted in considerable savings in time and labor.

The annual purchases of THE AMERICAN RESTAURANT MAGAZINE subscribers range in individual cases from 600 to 36,000 bags, and *the average reader buys 9420 bags yearly*.

An interesting tea fact is that 92.8 per cent of the restaurant operators state that orange pekoe is preferred by their patrons, while green tea is more popular in only 7.2 per cent of the restaurants.

Five brands are leading in popularity and combined are used by over thirty-four per cent of the restaurants.

• Tomato Juice

The use of tomato juice in restaurants offers a very interesting story. Despite the fact that a very meagre amount of promotion has been carried to the public in general and to the restaurant operator in particular 85.5% *of the restaurants are serving this product* and those not serving it have shown much interest in having further information regarding it.

The restaurant is a natural sales outlet for candies, gum, delicatessen products, coffee, etc.

Breakfast sales of this product lead by a considerable margin, for it is found that 48.8% of the tomato juice orders of the average restaurant are served at this meal—32.6% at the luncheon period and 18.6% at dinner. The number of dinner orders are mounting, however, since more restaurants are starting to feature tomato juice on their table d'hote dinners as well as a la carte.

Opportunity apparently exists to offer specialized information to the restaurant trade concerning the health qualities of tomato juice as well as its stimulating effect on the appetite.

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• Cashier's Sales

Almost neglected has been the development of the restaurant market for a number of items that find a most natural outlet over the cashier's counter in food-service establishments.

Cigars and cigarettes, candies of all sorts, chewing gum, souvenirs, novelties, small packaged confections, and even delicatessen products enjoy a tremendous sale in restaurants despite the fact that the manufacturers of these products have done comparatively little to develop the market. In many localities, restaurant men have carried high annual cigarette taxes to meet the natural demand of patrons for a smoke after their meal—yet the cigarette and cigar manufacturers have done little to help the restaurant man pay for that tax out of his tobacco profits. Tobacco tastes are frequently determined at the dinner table after the meal. Brands appear on the table and they frequently become a topic for discussion. For its sales promotion value alone—regardless of the number of sales actually consummated—the restaurant field is well worth the tobacco manufacturer's earnest study.

The eleven-city Census of Distribution revealed the fact that restaurants were the third most important outlet for cigars, cigarettes and tobacco—doing 7.51 per cent of the total retail sales of those commodities. The following chart shows a complete analysis of the proportion of these products passing through the different types of stores covered by the Census and furnishes significant data on consumption:

CIGARS, CIGARETTES AND TOBACCO

Kind of Store	Outlets	Sales	Per Cent of Total
Cigar and Tobacco	3,280	$24,270,000	62.16
Drug	2,091	11,773,000	30.15
Restaurants	2,130	2,930,000	7.51
Confectionery, Ice Cream and Soft Drink	3,724	1,233,700	3.04
Grocery and Delicatessen	5,693	20,592,300	5.15
Others	1,007	2,652,100	6.79
	18,705	$41,221,800	100.00

With the passing of the old-time confectioner, the restaurant market is rapidly developing into a principal market for candies. This is true, not merely of the nationally advertised bar candies and chewing gum, but the influence of restaurants as outlets for box candies is becoming increasingly apparent. Schrafft's, The Happiness Stores, The Pig 'N Whistle, DeMet's, Huyler's and other nationally known restaurant organizations provide striking examples of restaurant success in merchandising candy.

Candy manufacturers who can foresee the further expansion of this market will appreciate the possibility of working out a plan of national distribution through restaurants. In this respect, there might well look to the building of private brand business in their own line such as has been developed by numerous coffee and tea merchants catering to the restaurant trade.

The outlet for products through cashier's sales is yet in its infancy, but it offers unlimited possibilities to manufacturers with courage to lend their aid in the development of a market that has been practically overlooked in the strenuous competition of the prosperity era.

Section Four

The Market for Kitchen Equipment

Important Facts About This Market

Restaurants spend $26,400,000.00 yearly for kitchen equipment.

Restaurants purchase 48 per cent of all kitchen equipment sold to the institutional field.

Nineteen cities comprise the major marketing centers.

79.8 per cent of worth-while restaurants now do their own baking.

Restaurants spend $1,650,000.00 for meat and bread slicers annually; $1,540,000.00 for dishwashing machinery; $900,000.00 for mixing machines; $425,000.00 for vegetable peelers; $225,000.00 for food cutters.

36 per cent of restaurants use mechanical refrigeration.

The average restaurant kitchen requires two to three scales.

29 per cent of restaurant kitchens are equipped with mechanical ventilation.

The Market for Kitchen Equipment

Restaurants provide a huge market for equipment used in the preparation of meals. *The total annual purchases of kitchen equipment by this field is approximately $26,400,000.00.*

The restaurant field purchases 48 per cent of all kitchen equipment sold to commercial kitchens of all types and represents the most important outlet for these products. The most authentic data available indicates that the total annual sale of kitchen equipment to the various divisions of the institutional field is approximately $55,000,000. The following table shows how this amount is distributed, according to ratio figures of representative concerns in various sections of the country:

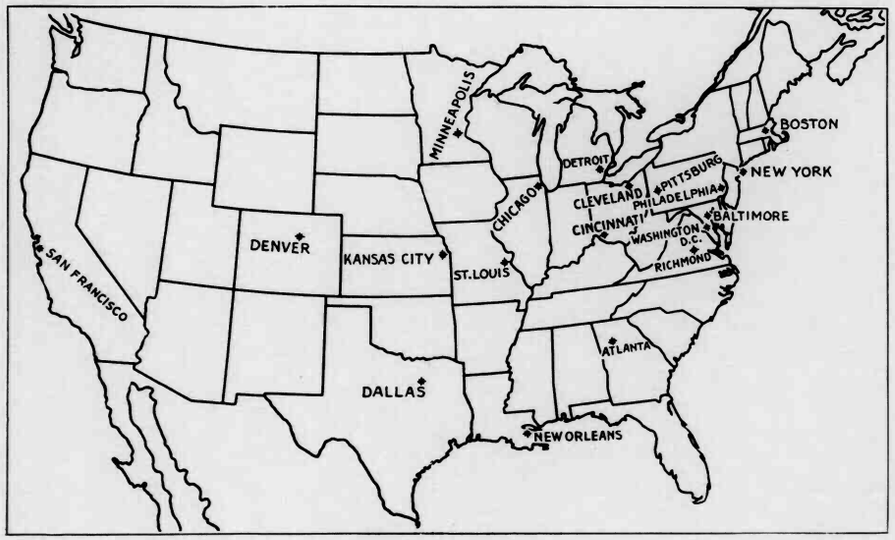
Field	Purchases	Per Cent of Total
Restaurants	$26,400,000	48.0%
Hotels	21,230,000	38.6
Hospitals and Institutions	3,374,000	6.8
Clubs	3,630,000	6.6
Total	$55,000,000	100.0%

Following are the actual combined percentage figures of the grouped distribution of kitchen equipment sold by several of the largest equipment houses over a period of years: (Each division of percentages represents a different year.)

Field	Per Cent of Total Purchases of Kitchen Equipment		
Restaurants	57.4%	54.45%	59.7%
Hotels	35.0	27.6	29.55
Hospitals and Institutions	3.5	9.1	5.25
Clubs	4.1	8.85	5.5

The major jobbing centers for the distribution of kitchen equipment are Boston, New York, Philadelphia, Baltimore, Washington, D. C., Richmond, Atlanta, Pittsburgh, Cincinnati, Cleveland, Detroit, Minneapolis, Chicago, St. Louis, Kansas City, New Orleans, Dallas, Denver, and San Francisco.

The surveys on the following pages contain some specific facts about the markets for equipment and supplies used in the restaurant kitchen.



The 19 Major Marketing Centers

• Bakery Equipment

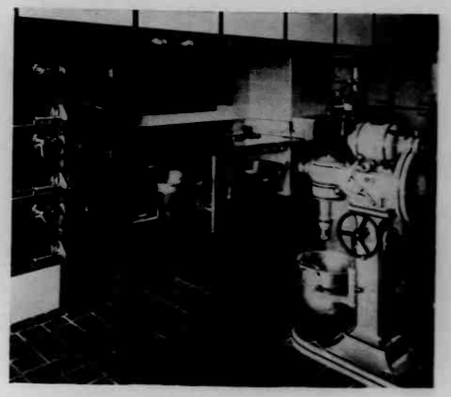
The market among restaurants for equipment used in the production of bakery goods is reaching larger proportions every year. Restaurants are constantly adjusting themselves to influence people's eating outside the home and find that doing their own baking is a most effective business stimulator.

The desire of the American people for tasty dessert dishes is well known and restaurant operators have been alert to capitalize on it. Bakery goods produced on the restaurant premises offer a higher margin of profit than goods bought from outside establishments and sell more readily because of their usually superior quality and freshness. But the greatest benefit derived is the highly favorable effect upon the restaurant's business as a whole. Increases in general sales volume as high as seventy-five per cent have been made possible in restaurants after the inception of a bakery department.

Restaurants are known to be able to build up fine reputations on the single fact that they can offer their patrons home-made bakery goods. One restaurant in Chicago with seating capacity of approximately 800 persons has become so well known for its delicious bakery goods that a considerable expansion of the bakery department was recently necessary to take care of the demand. Now they are making 500 pies, 40 cakes, 6,600 Cloverleaf rolls, 1,800 cup cakes, 1,200 muffins, and 40 pounds of cookies every day. It is not difficult to visualize from this what a large amount of bakery equipment they require.

An investigation recently conducted among worthwhile restaurants throughout the country shows that 79.8% of these places are doing some or all of their own baking. Moreover, forty per cent of those restaurants not doing their own baking stated that they were contemplating producing bakery goods at a later date.

The importance of restaurants as outlets for bakery equipment is further emphasized by the fact that



Sectional view of a modern restaurant bake shop.

49.2% of the restaurants doing their own baking reported the sale of bakery goods at retail.

A complete detailed report on the findings of a comprehensive survey on baking in restaurants, including a special analysis of the potential market for any equipment logical for restaurant bakeries as well as an outline on methods of merchandising this product in the restaurant field, is available. Interested executives may secure them by addressing the Research Department of THE AMERICAN RESTAURANT MAGAZINE.

• Dishwashing Machinery

Over a million and a half dollars are spent annually by the restaurants of this country for dishwashing machines.

A recent survey among restaurants in a leading city of this country showed that one-fifth of them have mechanical dishwashing equipment. Although relatively few places with yearly sales of less than $40,000 have this equipment, half of the restaurants with sales between $50,000 and $75,000 are so equipped. Most places with sales over $75,000 have dishwashers. Because of the size of the city under investigation and the general character and diversity of its establishments these conditions are believed to be typical throughout the country.

Since the restaurants that have no mechanical dishwashing equipment are mostly those with sales less than $40,000, it follows that they are places that do not feed more than two hundred and seventy-five persons daily and whose seating capacity is not much over 50. Government figures show that approximately seventy-five per cent of all restaurants are of this type. Therefore, this is a market which especially deserves the consideration of alert merchandisers.

The total sales of dishwashing machinery to the restaurant field is over 46 per cent of the total sales of this equipment to the entire institutional field. The results of a market analysis on kitchen machin-

Sectional view of a dishwashing department.

INTENTIONAL SECOND EXPOSURE

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Following are the actual combined percentage figures of the grouped distribution of kitchen equipment sold by several of the largest equipment houses over a period of years: (Each division of percentages represents a different year.)

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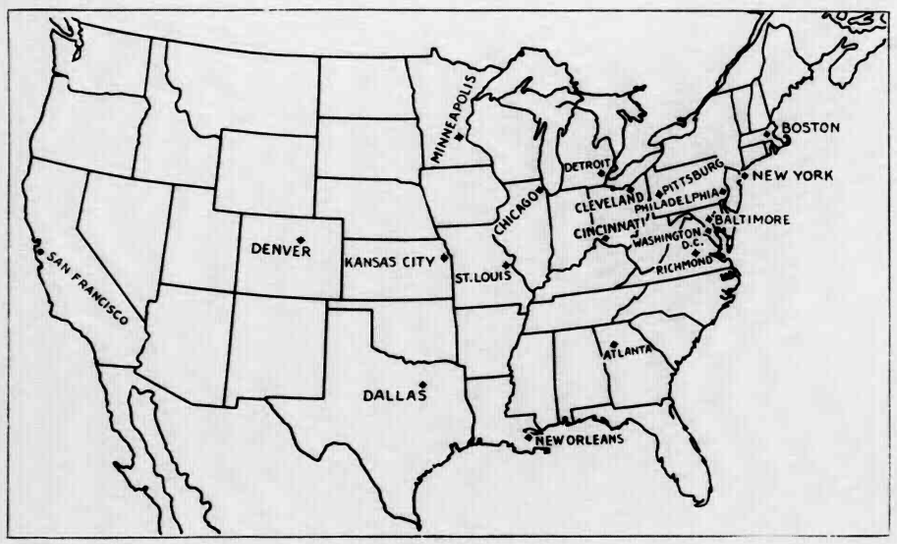

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Since the restaurants that have no mechanical dishwashing equipment are mostly those with sales less than $40,000, it follows that they are places that do not feed more than two hundred and seventy-five persons daily and whose seating capacity is not much over 50. Government figures show that approximately seventy-five per cent of all restaurants are of this type. Therefore, this is a market which especially deserves the consideration of alert merchandisers.

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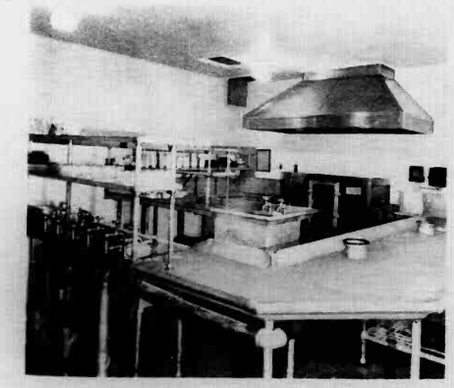

Sectional view of a dishwashing department.

ery just completed reveal that the purchases of dishwashing equipment by each division of the field are as follows:

Field	Purchases	Per Cent of Total
Restaurants	$1,540,000	46.67%
Hotels	1,260,000	38.18
Hospitals and Institutions	270,000	8.18
Clubs	230,000	6.97
Total	$3,300,000	100.00

• Food Cutters

Food cutters perform an important function in the operation of modern restaurant kitchens. They are able to handle large quantities of meats, vegetables, fruits, salads, dressings, nuts, etc., in a surprisingly short time without the loss of juices and require the aid of only one employee. Thus, not only savings in time and labor costs are effected but waste is reduced to a minimum and the flavor and appearance of food is actually improved.

The annual market for food cutters in the restaurant field is $225,000, or 44% of the total annual sales of this equipment to the entire institutional field. The total market is divided as follows, according to the findings of a recently completed market analysis on kitchen machinery:

Field	Purchases	Per Cent of Total
Restaurants	$225,000	44.12
Hotels	220,000	43.14
Hospitals and Institutions	35,000	6.86
Clubs	30,000	5.88
Total	$510,000	100.00%

• Mixing Machines

Mixing machines have gained a wide acceptance among restaurant men because of their ability to save labor and time, reduce waste, effect greater sanitation, increase production, and improve the taste of foods.

While mixers are valuable for the efficient execution of many other kitchen duties, they are indispensable in the production of bakery goods. And now with eighty per cent of the worth-while restaurants doing their own baking it is easy to understand why there is an increasing demand for mixing machines.

The total annual sales of mixing machines to restaurants amount to $900,000, which is over 45% of the total sales of this equipment to all commercial kitchens.

Following is a breakdown of the sales (at jobbers' resale prices) to the various divisions of the institutional field, as found by a recently completed market analysis on kitchen machinery:

Field	Purchases	Per Cent of Total
Restaurants	$900,000	45.68
Hotels	800,000	40.61
Hospitals and Institutions	130,000	6.60
Clubs	140,000	7.11
Total	$1,970,000	100.00%

A glance at a well-equipped kitchen.

• Mechanical Refrigeration

The problem of maintaining the right kind of refrigeration is one that confronts every restaurant large or small. Every class and type of food service has its own refrigerating problem, but, except in the most unusual cases, mechanical systems are proving to have many advantages over the old method of ice cooling.

First and most important, mechanical cooling is more economical in operation in all but a few isolated cases where ice might be extremely cheap. The cost of power, water, depreciation and interest on the investment is almost always less than the monthly ice bill, both for summer and winter operation.

With mechanical refrigeration even temperatures can be maintained as required to keep the food stuffs in the best possible condition. For example, a storage refrigerator for meats can be held at

Mixing machines have an endless variety of uses in restaurants.

Modern refrigerators protect profits in the restaurant.

twenty-eight degrees while alongside this box there may be another refrigerator for vegetables which should be held at forty-five degrees. There are no varying temperatures due to different quantities of ice with mechanical cooling. This is a highly important feature since different temperatures are required for different foods.

Proper temperatures for a few foods are as follows: butter, 9-10 degrees; eggs, 28-31 degrees; poultry, 32 degrees; cheese, 32-34 degrees; cereals, 34-40 degrees.

Regardless of outside weather conditions mechanical refrigeration makes possible even temperatures throughout the year. Thus food spoilage is minimized and the restaurant operator is enabled to purchase in large quantities, thereby taking advantage of fluctuating market prices, and to store the supplies for use as required. In this way many savings are effected—in fact, some restaurants save as much as $700.00 yearly on meat alone.

Display refrigeration is being used with great effect in all types of restaurants. In cafeterias it forms a part of the regular counter equipment and in other types of eating places it is used in the windows and entrances for displaying salads and other appetizing chilled foods. Refrigerated show cases are steadily increasing in popularity. Sev-

Uniformity is assured by the careful weighing of ingredients.

enty-seven per cent of the total number of restaurant jobbers reporting in a recent investigation on the use of this equipment state that they find display cases with refrigeration more popular than those without refrigeration.

By featuring attractive offerings made fresh and nutritive through mechanical refrigeration restaurants not only foster good will among present patrons but are able to gain new business. One restaurateur alone has attributed an increase in yearly business of $1,300 to serving chilled salads.

To have a proper supply of cooled drinking water is a serious problem with restaurant operators, since a patron becomes disgruntled at the taste of water that has not been sufficiently cooled. A properly installed system of cooling water by mechanical refrigeration insures an adequate supply of cold water at all times and does not necessitate the serving of ice with the drink.

A recent survey of restaurants in a leading city in this country revealed the extent to which mechanical refrigeration has secured adoption. *Thirty-six per cent of all the restaurants showed the use of this kind of refrigeration.* Sixty-four per cent have ice refrigeration, and five per cent ammonia plants. As the percentages indicate, some establishments have more than one type of refrigeration.

Because of the size of the city under investigation and the general diversity and character of its establishments, the extent to which mechanical refrigeration is used in that city is believed to be typical throughout the country and indicates the excellent business possibilities in the market for this equipment, which is continually widening from the intensive pioneering work already established.

• Scales

Scales in the kitchen have a very definite need in every restaurant. The average restaurant buys from two to three. *The two types of scales used are the large platform scale (capacity 100 to 300 pounds) for weighing in supplies and the dial or counter scale (capacity 25 to 50 pounds) for weighing meats, vegetables, and products used in baking and dessert making.*

It is important for the restaurant operator to weigh in supplies because this prevents any overcharging on the part of the seller and furnishes the means of an accurate check on the quantities of supplies in storage.

Chefs find the small scale indispensable in planning meals, preparing items for baking, and weighing left-overs. Much waste of food is checked, and proper apportioning of ingredients used in producing various dishes is made possible and prevents profit leaks.

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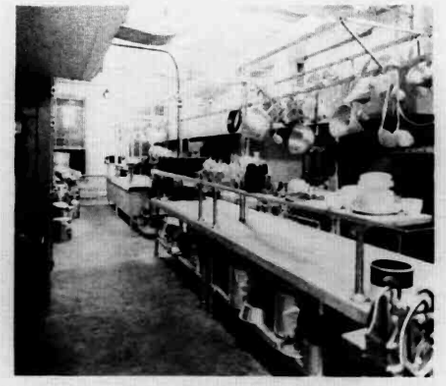

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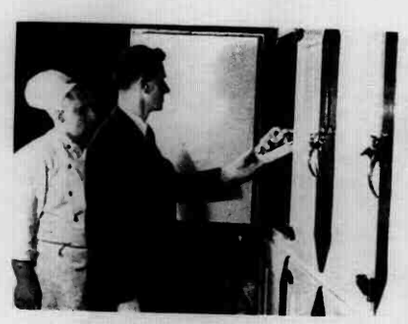

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• Meat and Bread Slicers

Meat and bread slicers enjoy the largest sale of all kitchen machinery purchased by restaurants — $1,650,000. Their many advantages over hand methods in the saving of time and labor and in the reduction of food costs have created for this equipment a responsive market among commercial kitchens.

Meat and bread slicers rank second in the amount of sales to the entire institutional field — surpassed only by dishwashers—*and of this amount more than half is credited to the restaurant field.* Following are the complete figures for the distribution of purchases of meat and bread slicers by commercial kitchens, as found from a recently completed market analysis on kitchen machinery.

Field	Purchases	Per Cent of Total
Restaurants	$1,650,000	53.23
Hotels	1,100,000	35.48
Hospitals and Institutions	170,000	5.48
Clubs	180,000	5.81
Total	$3,100,000	100.00

• Vegetable Peelers

The restaurant field spends $425,000 annually for vegetable peelers to reduce kitchen overhead in the saving of time and labor and to lower food costs in the elimination of waste of materials caused by hand peeling. Incidentally, the latter factor is the most important consideration in many cases.

One million dollars is spent by commercial kitchens of all types in the purchase of vegetable peelers. An analysis of the sales made in each field, which is given below, shows the need for more intensive cultivation of the restaurant field by manufacturers of peelers. The ratio of sales of peelers to the restaurant field is much lower in comparison with the ratios of sales of other major pieces of kitchen machinery to this field.

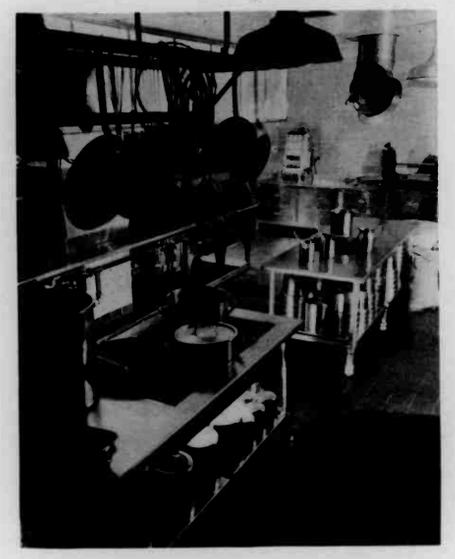
Field	Purchases	Per Cent of Total
Restaurants	$425,000	42.5%
Hotels	430,000	43.0
Clubs	75,000	7.5
Hospitals and Institutions	70,000	7.0
Total	$1,000,000	100.0%

The above figures were obtained from a recent survey on the market possibilities of peelers for commercial kitchens.

• Mechanical Ventilation

An adequate cooling and ventilating system is a necessary part of the equipment of every well operated restaurant kitchen.

Mechanical ventilation in the kitchen permits the removal of heat vapors and cooking odors as quickly as they are created. Even though the restaurant proper may have this equipment the assistance of apparatus in the kitchen is needed to remove unwholesome air before it can possibly



The modern restaurant kitchen is a highly specialized and efficient production unit.

enter the dining room. An even more important function of mechanical ventilation in the kitchen, however, is to provide a suitable atmosphere in which the employees might work. The loss of efficiency among kitchen employees caused by the intense heat that results from cooking and dishwashing means a direct loss in the profits of the restaurateur who has not installed cooling and ventilating equipment.

Results of a recent investigation of restaurants in a single city in this country indicate the extent to which mechanical ventilation has secured adoption

This view gives some conception of the investment required properly to equip restaurant kitchens.

Cool, pure air improves working conditions in the kitchen.

in restaurant kitchens and further reveal the tremendous market offered to manufacturers of this type of equipment. Because of the size of the city and the general diversity and character of its establishments, the findings of the survey are believed to be typical throughout the country. *Twenty-nine per cent of all the restaurants showed the use of mechanical ventilation in their kitchens.*

To maintain proper sanitation requires the generous use of cleaning compounds.

The same survey showed that thirty-four per cent of all the restaurants that have basements have mechanical ventilation in that part of their establishments. Restaurant basements are used either for the storage of food supplies or for dishwashing or even for both purposes. Therefore, a correct temperature is necessary to keep the food in good condition, while efficiency among the workers in the dishwashing department also demands the provision of proper ventilation. Here then is an added sales opportunity for the manufacturer of mechanical ventilating equipment.

While the restaurant kitchen and basement provide excellent outlets for the use of cooling and ventilating equipment, the restaurant dining room offers equally favorable opportunities for the manufacturer. A report on this subject will be found on Page 55.

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Cleaning Materials

• Dishwashing Compounds

The wide-spread use of glass and dishwashing machines in restaurants today has created a definite demand for special cleaning materials. It is now a generally accepted fact that the best results in mechanical dish and glass washing cannot be obtained without using cleaning compounds manufactured for that purpose.

It is highly important that all china and glassware be bright and film-free. Compounds manufactured for machine use prevent the formation of insoluble residues which are formed from soap and cause a dull appearance on the china and glassware and create an unsanitary condition inside the machine. Moreover, they make possible a more vigorous washing action because there are no suds to interfere with the action of the sprays.

While the amount of dishwashing compound that an individual restaurant uses naturally varies with the size of the establishment, some idea of the heavy consumption of this product may be gained from the fact that *an average restaurant seating two hundred persons requires approximately 1,000 pounds yearly.*

• Compounds for General Cleaning

Sanitation is vital to the success of restaurant operation. Walls, ceilings, woodwork and floors must be kept clean at all times in order to provide that pleasant and sanitary atmosphere which every progressive restaurateur desires. Floors must be cleaned daily on account of the heavy traffic which occurs at each meal time. Walls, ceilings and woodwork also require constant attention because of the dirt which accumulates from the great amount of cooking done. To take care of all this cleaning *an average restaurant seating two hundred persons, for instance, uses approximately 500 pounds of general cleaning compound yearly.*

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Section Five

The Market for Dining-Service Equipment

Some Significant Facts About This Market

Necessity for quiet in restaurants results in an ever-increasing demand for acoustical treatment.

59 per cent of jobbers report that their sales of booths to restaurants are increasing.

5,455,980 chairs and 1,363,995 tables are now in use in restaurants.

The annual rate of replacement of china in the average restaurant is 48 per cent.

Sales of display cases for restaurants are increasing in close to 80 per cent of the jobbers.

Restaurateurs find that proper flooring is a vital factor in attaining a pleasing atmosphere in their dining rooms.

The average restaurant has an annual rate of glassware replacement of 250 per cent.

48 per cent of restaurant operators who do not own the buildings in which their business is established furnish their own lighting fixtures.

The use of person weighers in restaurants is steadily increasing.

The annual replacement market for silverware among restaurants is $10,346,464.00.

Every day sees more and more new as well as established restaurants installing soda fountain equipment.

The most popular material for table and counter tops is composition; for counter panels, baked enamel; and for stool seats, baked enamel and wood.

The average restaurant requires two to three trays per waiter.

The average restaurant buys four to six uniforms per dining room employe annually.

Approximately 22 per cent of restaurant dining rooms are equipped with mechanical ventilation.

The Market for Dining Service Equipment

In addition to serving good food, the restaurant operator finds nothing more essential to attract and hold patronage than providing pleasant and comfortable surroundings and furnishings that tend to improve service. Because of this dollars-and-cents value the subject of interior treatment and furnishings is given considerable attention.

The surveys on the following pages contain some important facts about the markets for equipment and supplies used in the restaurant dining room. Most of these were the subjects of recent comprehensive investigations among the restaurant supply jobbers and restaurant operators throughout the country.

A general market survey such as this book naturally does not permit a complete, detailed report on the research of each product, but findings are presented which should be of primary interest to manufacturers and agencies studying the restaurant field.

A complete report and special analysis of the survey on any product listed in the following pages as well as an outline on methods of merchandising this product may be secured by addressing the Research Department of THE AMERICAN RESTAURANT MAGAZINE.

Quietude, made possible by utilizing modern sound-absorbing ceiling treatment.

• Acoustical Treatment

While the entire American public has cultivated the habit of "eating out" in restaurants during the past five years, probably the greatest number of restaurant patrons comprise the men and women actively engaged in business. For many of these the only rest and relaxation they get from the busy whirl of their daily tasks is during the meal periods.

It is a well-known fact long established by the medical profession that one derives the greatest value from food served at any meal when it is eaten in congenial and harmonious surroundings. The appetite suffers when the stomach is cramped up as a result of the fear reaction arising from the presence of noise. When food is consumed in such an atmosphere the full nutritive value is not gained and proper assimilation does not take place—all of which causes digestive disorders. Thus the restaurant patron cannot properly enjoy the food no matter how good it may be.

In restaurants serving a great number of persons, conversation is difficult if there are continuous, harsh and confusing noises. In cafeterias, the clash of trays, china, and silverware makes ordinary conversation even more difficult.

The progressive restaurant owner is familiar with these conditions and realizes the importance of providing an atmosphere of quiet, which means relaxation for his patrons and which usually results in a higher sales check for him. The restaurant operator who has not yet installed sound treatment should be educated to the fact that it avails him little to serve a high quality of food, give the best possible service, and decorate his place with artistic furnishings if he overlooks *the most important feature of a successful and refined restaurant—that of a quiet atmosphere.*

Acoustical treatment for the ceilings of restaurants has been found to reduce the noise about eighty per cent since most restaurants have ordinary decorative plaster, which is a poor sound absorbent.

The possibilities of acoustical treatment in the restaurant are many. Those restaurant operators who have installed sound absorbents have found it invaluable not only in the dining room but in the kitchen, serving pantries and corridors as well. In the kitchen and serving pantries of busy restaurants there is an exceptional need for this treatment, since the noise of the various pieces of equipment in operation—particularly the dishwashing machines—tends to confuse the orders given by the waiters or waitresses. Before acoustical treatment was installed in one particular restaurant more than fifty per cent of the time there was considerable confusion on account of the orders not being heard correctly.

A progressive operator of a chain of popular restaurants attributes much of his success to the fact that acoustical treatment is installed in all his places—and he merchandises this fact on his menus and in his advertising.

The installation of acoustical treatment is an investment that every restaurant can realize in the long run. While there has been some educational work done by the restaurant trade press and various manufacturers in showing the advantages of having acoustical treatment, there is need for further pioneering. The restaurant market offers great potentialities and the surface has only been scratched by manufacturers of acoustical products. *It is certain that the manufacturers who first take advantage of the business possibliities in this industry and develop concentrated sales campaigns adapted to the field will get the lion's share of the opportunities awaiting them.*

• Booths

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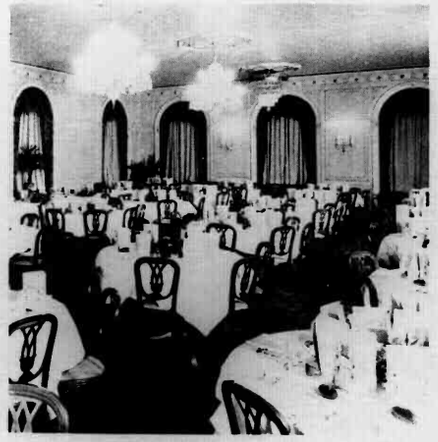

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patrons is the use of booths. Restaurant operators find that many of their customers desire privacy and that by installing booths they can gain the goodwill of these people. The majority of restaurants with booths have them in conjunction with regular table service, while others only have counter service in addition to the booths.

Some idea of the ever-growing popularity of booths in restaurants may be gained from the fact that *fifty-nine per cent of the jobbers throughout the country report that sales of booths are increasing.* Their total yearly sales in individual cases range from $400.00 to over $75,000.00 with average sales from single installations ranging from $130.00 to $2,500.00.

The chummy privacy of booths is appreciated by the younger set.

• Chairs and Tables

An analysis of a recent survey among restaurants in a leading city of this country shows that the average place has 68 chairs. This figure includes service restaurants, cafeterias, lunchrooms and tea rooms, and, of course, some lunchrooms have no chairs at all. Because of the size of the city and the general character and diversity of its establishments it is believed that this figure is a fair average for the entire country.

On the basis of 68 chairs per restaurant, urban restaurants would have a total capacity of 5,455,980 chairs. Consequently, figuring four chairs to a table makes a total of 1,363,995 tables.

Depreciation of restaurant furniture today depends upon obsolescence rather than upon its physical life. Any restaurant after five years loses it drawing power and demands a change, regardless of how costly the present fixtures may be, in order to relieve the monotony of the present surroundings. Modern restaurant operators regard five years as a safe and economic time limit by which the original cost of their furniture must be written off. *On this basis there is a twenty per cent replacement each year.*

Applying the annual rate of replacement to the present total seating capacity of urban restaurants, it is found that *there is a yearly replacement market for 1,091,196 chairs and 272,799 tables.*

The relative importance of chairs and counter seats in eating establishments varies with the character of service, the extent of the menu, and the type of patronage to which the restaurant caters. *Eighty-six per cent of the total seating capacity of the restaurants covered in the survey mentioned above was in chairs;* fourteen per cent in counter seats. This clearly shows the predominance of the chair market.

Quality, reflected in the dining room chairs and tables, is a real good-will builder.

• China

An analysis of the records of several hundred representative restaurants throughout the country reveals the large proportions of the replacement market for china in the restaurant field. *The annual rate of china replacement in the average restaurant as shown by this analysis is 48 per cent,* which means that the initial china installation will have been fully replaced in little over two years.

Nothing, except the food, creates a more favorable impression on the mind of the patron than does distinctive china.

A restaurant's entire stock of china is replaced every two years.

The display case offers many merchandising advantages for making extra profits.

Some restaurants have been found to have a complete replacement within a year, while the china supply in other places does not have an entire turnover for as long as five years.

Items of china in restaurants that have the most rapid rate of replacement are: cups, saucers, eight-inch dishes, four-and-one-half-inch and seven-inch plates, individual butters, fruits and soup bowls.

To give some idea of the large number and many kinds of china items used in restaurants the major requirements of a restaurant with seating capacity of two hundred persons are listed below:

300 dinner plates
300 cups and saucers
400 bread and butter plates
300 salad plates
72 tea pots
300 soup bowls
300 soup plates
100 compartment plates
72 sugars
200 platters
200 cereal bowls
400 individual butters
400 fruits
300 bakers
120 egg cups
100 cake covers
360 dishes
300 one-ounce creams
100 three-ounce creams

A conservative estimate of a complete medium-priced china installation in a restaurant seating two hundred is $400.00. Applying the rate of replacement this restaurant would buy $192.00 worth of replacements yearly.

The increasing trend among restaurants towards the use of special designs is a condition well worth the attention of every manufacturer of institutional china. Forty per cent of the jobbers throughout the country report that they are finding restaurant operators responsive to the idea of using a special design. Since such a tendency exists, merchandisers have a profitable opportunity to build up good will and stimulate business by offering special designs with their various patterns.

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Restaurants have considerable waste space in the front part of their establishments and utilizing this space to display daily food offerings is clever merchandising on the part of the operator. Neat, attractive display cases serve a useful purpose not only as a service that helps people to decide what they want to eat but as a direct business builder in featuring special items as "leaders." The window space, the use of which is often neglected, offers another means by which display cases can be used as a magnet in attracting business.

The use of display cases by restaurants is decidedly on the increase. This fact is attested to by close to eighty per cent of the restaurant jobbers throughout the country, who report that their sales of this equipment is increasing. The average installation ranges from $100.00 to over $500.00. Individual jobbers have had total income ranging from $1000.00 to $50,000.00 during a year from the sale of display cases.

An attractive floor greatly enhances the appearance of any restaurant.

Of utmost importance to owners and employes alike is the matter of selecting proper flooring.

No single item of equipment has a higher rate of replacement than glassware.

Our survey indicates a decided tendency towards the thinner, colored glassware among the better restaurants.

• Flooring

Not so many years ago restaurant operators gave little attention to making their establishments attractive. Today, because of the heavy competition, considerable thought is given to creating a pleasing atmosphere. *And one of the most important factors in attaining such an atmosphere is flooring.*

A floor that is clean in appearance and sanitary as well as in harmony with the other decorative appointments of the room lends to the eating place atmosphere that is both pleasing and refreshing. On the other hand, a dull floor, or one filled with worn spots leaves a very poor impression upon the patron. He is apt to decide that the service is as indifferent as the flooring and that the quality of the food is also reflected.

The restaurant operator's requirements for correct flooring are listed as follows:

(1) It must be substantial and durable to meet the hard wear that is given it every day of the year.

(2) It must have qualities that prevent slipping. (This is very necessary for employees carrying heavy trays.)

(3) Operators demand composition that is easy on the feet (since the employees prefer this kind) and that is as noiseless as possible.

(4) It must be decorative and in designs to harmonize with the room.

(5) The composition must be such that it can be cleaned with very little difficulty.

No need to emphasize what an important part proper illumination plays in the merchandising of meals.

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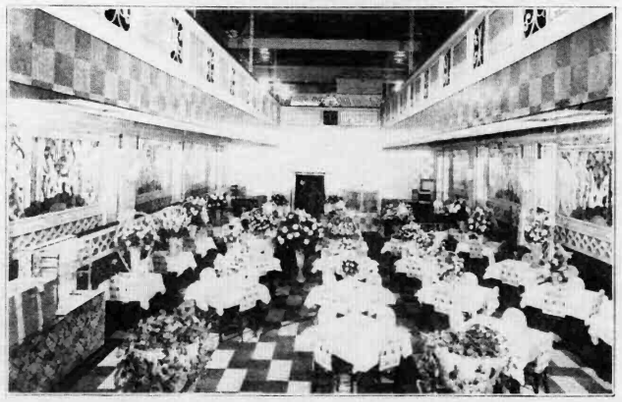
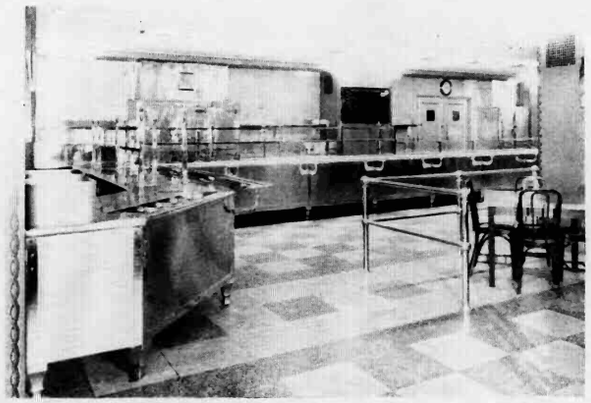
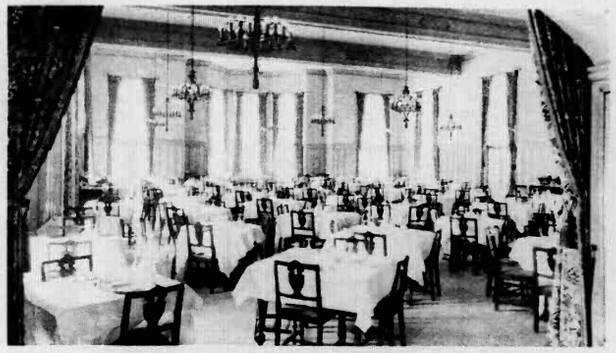


An attractive floor greatly enhances the appearance of any restaurant.



Of utmost importance to owners and employes alike is the matter of selecting proper flooring.

No single item of equipment has a higher rate of replacement than glassware.



Our survey indicates a decided tendency towards the thinner, colored glassware among the better restaurants.

• Flooring

Not so many years ago restaurant operators gave little attention to making their establishments attractive. Today, because of the heavy competition, considerable thought is given to creating a pleasing atmosphere. *And one of the most important factors in attaining such an atmosphere is flooring.*

A floor that is clean in appearance and sanitary as well as in harmony with the other decorative appointments of the room lends to the eating place atmosphere that is both pleasing and refreshing. On the other hand, a dull floor, or one filled with worn spots leaves a very poor impression upon the patron. He is apt to decide that the service is as indifferent as the flooring and that the quality of the food is also reflected.

The restaurant operator's requirements for correct flooring are listed as follows:

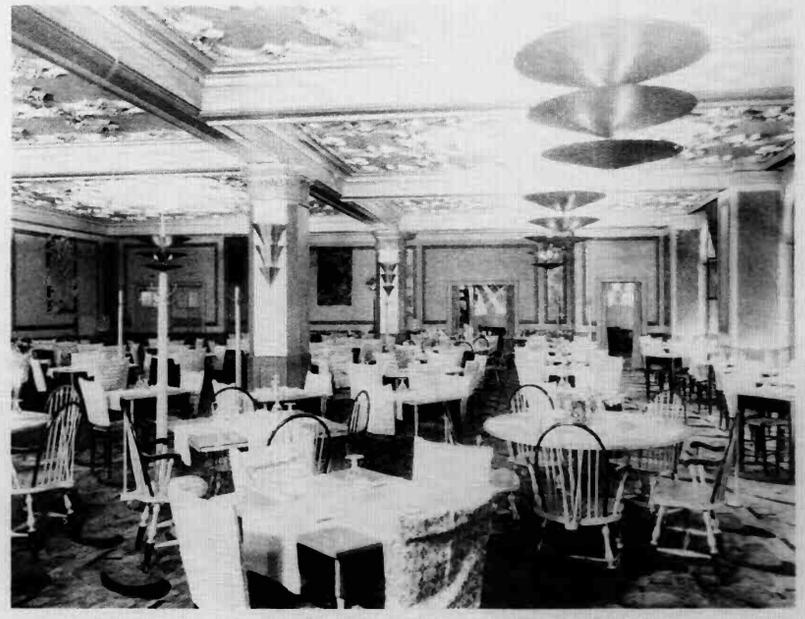
(1) It must be substantial and durable to meet the hard wear that is given it every day of the year.

(2) It must have qualities that prevent slipping. (This is very necessary for employees carrying heavy trays.)

(3) Operators demand composition that is easy on the feet (since the employees prefer this kind) and that is as noiseless as possible.

(4) It must be decorative and in designs to harmonize with the room.

(5) The composition must be such that it can be cleaned with very little difficulty.



No need to emphasize what an important part proper illumination plays in the merchandising of meals.

A survey conducted by THE AMERICAN RESTAURANT MAGAZINE regarding the kind of flooring most popular with restaurant men garnered some interesting replies. Of the types mentioned, *linoleum enjoyed the most favor. Rubber tile, tile and terrazo were next in the order named while mosaic and cork tile completed the list.*

• Glassware

There are several current tendencies which are affecting the market for glassware among restaurants. They are defined in the extent to which lighter weight water glasses, colored and semi-colored glassware, and better grades of glassware are being used.

Although the heavy tumbler is used in over sixty per cent of the restaurants, jobbers throughout the country report a decided trend toward the use of the lighter weight glass. (*See illustration on page 51*). The majority of service restaurants have denoted their preference of the lighter weight glass and lunchrooms are following suit in increasing numbers.

The use of colored and semi-colored glassware is showing a slight increase. *The sale of this type of glassware is increasing in fifty-two per cent of the restaurant jobbers, while it is just standing still in the remaining forty-eight per cent.* In particular the use of colored or partly colored glassware for sherbets, salads, and desserts is shown to be increasing in popularity.

The average restaurant operator is not educated to the merits of colored and semi-colored glassware and this condition naturally demands pioneering work on the part of manufacturers of glassware. Color schemes and attractive furnishings are given much attention by every progressive restaurant operator today. The use of beautiful colored or semi-colored glassware to harmonize with the color scheme is an especially effective means of helping the restaurateur to create that air of distinction which always has a pleasing effect upon restaurant patrons.

There is an increasing tendency among restaurants to use a better grade of glassware. This, of course, is just another result of the wide-spread habit of modern restaurateurs to buy quality merchandise. They know that "in the long run" such purchases react in greater profits for them. Restaurant operators realize that a better grade of glassware is the most economical kind because it is lower in breakage and is certain to create a favorable impression upon the patron.

An analysis of the records of several hundred representative restaurants shows that the average place has an annual rate of replacement of 250 per cent. This means that the initial glassware installation will have been completely replaced two and one-half times within a year. Some restaurants replace their entire glassware supply as much as six times during a year, while others do not have a complete replacement for two years. (*See illustration, page 50*).

To give some idea of the large number of glassware items used in restaurants the major original requirements of a restaurant seating two hundred persons are listed below:

400 water glasses	300 salad plates
200 sherbets	50 creamers and sugars

A fair estimate of a complete medium-priced glassware installation in an average restaurant with a seating capacity of two hundred is $150.00. And applying the rate of replacement this restaurant would buy $375.00 worth of replacements during a year.

It is the experience of restaurant jobbers throughout the country that the following four factors influence a restaurant to select one make of glassware over another: (1) construction, (2) appearance, (3) advertising and salesmanship, (4) price.

• Lighting Fixtures

Just as in all other forms of decorative treatment, lighting fixtures are today playing a great part in dressing up the restaurant.

A survey just conducted by THE AMERICAN RESTAURANT MAGAZINE *on this subject reveals that 48 per cent of the restaurant operators who do not own the buildings in which their business is established furnish their own lighting fixtures.* The building owner, of course, furnishes the remaining 52 per cent but, according to the expert experience of 80 per cent of restaurant supply jobbers, *the restaurant operators usually specify to the building owner the kind of fixtures wanted.*

The lighting fixtures in the field at the present time are as varied as the types or restaurants themselves. Architectural designs such as Spanish, English, Egyptian and Modernistic all require special types of lighting. (*See illustration on preceding page*).

People are accustomed to good illumination in their homes and they expect it in public places. The effect should be such as to make the reading of menus easy and yet should not be so bright as to render an undignified appearance.

Manufacturers of lighting fixtures have exceptional opportunities in the restaurant field, since nearly one in every two operators, renting their space, furnish their own lighting fixtures and since four-fifths of the jobbers state that restaurateurs not furnishing their own fixtures at least specify the kind they want.

• Scales

With some the diet question is an obsession and weighing before and after eating has become a daily ritual. With others it is an interest that is created by discussion of food values, calories, vitamines and the like, which is carried on at many restaurant tables—and the power of suggestion prompts these to use a scale if they see one.

Some operators place their scales in a convenient corner near the cashier's desk or near the door. They report revenues of $50.00 a month and over from this source alone. Other restaurants, particularly better class establishments and tea rooms, place the scales in the rest rooms where the more fastidious—or perhaps more sensitive—persons may weigh in seclusion.

Fifty-five per cent of restaurant jobbers throughout the country report that there is an increasing use of person weighers in restaurants. This is certainly indicative of a responsive market for this type of scale in addition to the regular scales used in the restaurant kitchen and storeroom.

An average restaurant replaces silver every three years. No wonder the restaurant industry represents a ten million dollar market for silverware manufacturers.

• Silverware

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An increasing demand for new and distinctive patterns among restaurants is reported by forty-one per cent of restaurant jobbers; for new finishes, especially satin and hammered, fifty-two per cent; for new shapes and sizes, particularly in knives and forks, by thirty-three and one-third per cent.

Some idea of the large number and many kinds of silver items used in restaurants may be gained from the following list of major requirements for a restaurant seating two hundred persons:

300 silver knives	120 coffee pots
100 steel bladed knives	120 tea pots
300 meat forks	300 butter chips
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An analysis of the records of several hundred representative restaurants shows that the average place has an annual rate of replacement of 33⅓%. This means that the initial silverware installation will have been completely replaced within three years. Some restaurants replace their entire supply within two years, while others do not have a full replacement for five years.

A fair estimate of a complete, medium priced silverware installation in an average restaurant with a seating capacity of two hundred is $500.00. Applying the rate of replacement this restaurant would buy $166.67 worth of replacements during a year.

According to the statements of various typical restaurants which have been observed a fair average percentage of sales set aside for silverware replacement is four-tenths per cent. Since the total sales of urban restaurants amount to $2,585,615,930.00, *approximately $10,346,464.00 represents the annual replacement market for silverware among these restaurants.*

• Soda Fountains

Drug stores with their luncheonette service have actually forced the installation of soda fountains upon the restaurant industry. Some idea of the amount of business the drug stores have been doing can be estimated from figures gathered for the year 1929 which show that sixty-one percent of all drug store sales were made at the fountain and sixty-seven percent of this fountain business was done in food sales.

A survey just completed by THE AMERICAN RESTAURANT MAGAZINE shows how the restaurant business is meeting this competition. On an average, *18% of new establishments include soda fountains as part of the regular equipment. In addition a large percentage of jobbers throughout the country report an increasing tendency on the part of old established restaurants to add soda fountain service.*

This service is dispensed from equipment installed in either the kitchen or the dining room proper. In the latter case, the soda fountain is often utilized as part of the counter arrangement. Cafeterias have not been found wanting in this respect although, here, it is far more usual to install the fountain as a separate unit, not in the line of service.

Above all these, however, the soda fountain has brought to the restaurant industry an entirely different type of eating place which might be described as the fountain tea room. They are full fledged restaurants in which the soda fountain is the characteristic feature. Their service varies in completeness, but generally it is confined to the lighter, daintier dishes and specialties. Such places are found largely in the bigger cities at the present time but their popularity augers a rapid growth for them.

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In every type of restaurant, the menu-variety and appetite appeal that the soda fountain makes possible are becoming absolute essentials.

The very nature of fountain service makes it a real money maker for the restaurant. It caters to the demand for light meals and rapid service, which, for the operator, occasions little waste and quick turnover. The dishes served at the fountain are usually more profitable than those on the remainder of the menu. The fountain further creates a source of additional revenue between meals, particularly during the afternoon and evening, times which, without the fountain, are dull periods in restaurants. As for actual food service the restaurant operator has every advantage in buying, preparation and the like, because of his broader experience in the business.

The restaurant field is a new market of infinite sales possibilities for manufacturers of soda fountain equipment and undoubtedly the first companies who develop concentrated selling campaigns will capture the lion's share of the potential business.

• Table and Counter Tops, Paneling and Stools

An investigation recently conducted among jobbers throughout the country discloses some interesting facts about the relative popularity of various materials used for table and counter tops, panels, and stools.

The following table shows the order of popularity of various kinds of table and counter tops. Restaurant jobbers were asked what material is most popular with their customers and the relative percentage mentioning each material is listed below. As the percentages indicate, some jobbers named two or more kinds of table and counter tops as sharing an equal amount of popularity.

Composition	50.0%
Linoleum	42.3
Glass	42.3
Wood	19.2
Metal	3.8

Baked enamel was found to be the most popular material for counter panels. This was indicated by fifty per cent of the jobbers. Wood was mentioned by 37.5%, while glass was named by 12.5%.

For stool seats the most popular materials appear to be baked enamel and wood. An equal number of jobbers mentioned each one of these as most popular—36.3%. Leatherette seats were regarded as most popular by 27.3% of the jobbers.

The constantly growing demand on the part of restaurant operators for stools with backs is indicated by the fact that more than eighty per cent of the jobbers stated that this type of stool was more popular than those stools without backs.

Baked enamel seems to be preferred by the majority of restaurant operators for stool bases. This material was mentioned as leading in popularity by 87.5% of the jobbers, while 12.5% stated that painted metal is most popular.

Data on the relative popularity and practicability of the various types and sizes of counters and of the various kinds of counter construction — as experienced by restaurant jobbers among their customers — is available for any executive interested in this particular information.

• Trays

The number of trays required by a service restaurant seating 200 persons ranges from 25 to 60. *The average is approximately 40 trays,* and the approximate cost for the installation about $95.00.

Efficient service makes it impractical to provide less than two trays for each waiter or waitress in the average restaurant, while the better class eating places have three. The number depends on the service. Restaurants using bus boys find that two trays per waitress are sufficient while those not employing bus boys will need three — one in service, one being sterilized and one ready for use. Restaurants that require only one tray per waitress are of the smaller type.

The average number of trays necessary to operate a cafeteria seating 300 persons is between 400 and 450. The approximate cost of this original installation would be from $450 to $500. Smaller cafeterias usually require 1⅛ to 1½ per seat. Cafeterias with adequate facilities for sterilizing and handling trays figure on one tray for every two persons, though the average cafeteria buys one tray for every four patrons.

The three most popular sized trays for service restaurants are: 21 x 25, 24 x 16, and 20 x 14; and for cafeterias the preferred size is 17¾ x 13⅞.

New purchases of trays are made necessary mostly because of dents and buckling in the center. The second most important reason for the purchase of new trays is discoloration of the metal and scratches. The most important factor in the promotion of the sale of trays in the restaurant field is to show that the tray will withstand the constant usage it gets in the restaurant, that scratching and denting and discoloring of metal are reduced to a minimum or even eliminated; that the trays are easy to clean and to handle and that they have a long life. Of course, prices must be consistent with quality.

The annual rate of replacement of trays in restaurants is approximately 20% — which means the average life is about five years.

• Uniforms

No progressive restaurant, today, overlooks the effect of distinction that the neat, well groomed waitress or waiter gives to his business. The old style uniform was plain in style and color and consequently uninteresting. Now the trend toward color and more varied styles enables operators to harmonize the uniforms with the general decorative scheme of the restaurant. White uniforms and uniforms of special styles are also replacing the old, sombre "soup and fish" of the waiter of a decade ago.

Some idea of the extent of the potential market for uniforms might be had from the fact that there are over 600,000 employes in the urban restaurants alone and by far the greater proportion of these are waiters or waitresses.

There is a marked tendency toward the use of better grade uniforms among restaurants, according to 75% of the reports from restaurant jobbers on that question. Frequent laundering, hard usage and the necessity of having them clean, neat and distinctive naturally require purchasing a quality garment.

The average restaurant must keep from two to three uniforms per dining room employe. A conservative estimate for the life of a waitress uniform is six months. *The average restaurant, then, must buy from four to six uniforms per employe annually.* And jobbers report that standardized styles are much preferred to special uniforms.

Quality, appearance, salesmanship and advertising, and price are listed in the order of their importance as the main factors which are found to influence a restaurant operator in the selection of one make of uniform over another.

• Mechanical Ventilation

A recent investigation among restaurants in a leading city of this country showed that approximately twenty-two per cent were equipped with mechanical ventilation in their dining rooms. This condition is believed to be typical throughout the country because of the size of the city surveyed and the general diversity and character of its establishments.

The results of the survey indicate the tremendous market offered to manufacturers of cooling and ventilating equipment. Although much educational work has been carried on through the editorial pages of THE AMERICAN RESTAURANT MAGAZINE and although several manufacturers have been pioneering in this field for a number of

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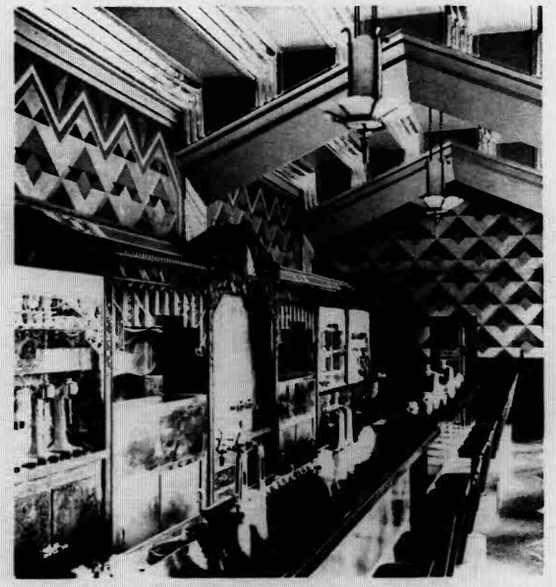

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• Mechanical Ventilation

A recent investigation among restaurants in a leading city of this country showed that approximately twenty-two per cent were equipped with mechanical ventilation in their dining rooms. This condition is believed to be typical throughout the country because of the size of the city surveyed and the general diversity and character of its establishments.

The results of the survey indicate the tremendous market offered to manufacturers of cooling and ventilating equipment. Although much educational work has been carried on through the editorial pages of THE AMERICAN RESTAURANT MAGAZINE and although several manufacturers have been pioneering in this field for a number of

years, there is still a lack of proper knowledge regarding the advantages of modern cooling and ventilating systems among restaurant men and women in general.

Providing a cooled and ventilated atmosphere is vital to the success of any restaurant. If the restaurant is filled with cooking odors the result is a loss of the patron's appetite and the corresponding result of a lower check. Moreover, the vapors which accumulate from cigarette and cigar smoke cause discomfort and annoyance to many patrons. Without proper ventilation the highest quality food loses its taste and the most artistic decorations are robbed of their beauty.

During the Summer, restaurants without adequate ventilation in the dining rooms not only experience lower check averages resulting from the loss of appetites among patrons but lose many of their steady customers. Moreover, they are unable to attract new ones because of the public's unwillingness to dine in places where the air is not any cooler than outdoors.

A restaurant equipped with proper cooling and ventilating apparatus does not only avoid the loss of appetites throughout the year but is able to attract new business during the Summer as well as hold present patronage.

An effective method which has been used by many operators in capitalizing on their installations of cooling and ventilating equipment during the hot summer months has been to advertise the fact that their restaurants are always cool and comfortable. This has been found to be a most satisfactory means of increasing patronage.

While proper ventilation is an absolute necessity to the success of a restaurant in the Summer it is just as important in the Winter. During the Summer the doors and windows are opened to eliminate the heat vapors and cooking odors; in the winter months, however, doors and windows are usually closed to prevent drafts, and a restaurant that is not equipped with a ventilating system of some type has no adequate outlet for the undesirable cooking odors which permeate into the dining room. This, of course, results in lower appetites among the patrons.

Restaurants offer manufacturers of cooling and ventilating equipment a ready market and as an added outlet of unlimited business possibilities they deserve worth-while consideration in any sales plans.

A special analysis of the survey on the use of mechanical ventilation by restaurants, showing the distribution of mechanical ventilation by size of restaurants and consequently revealing what size establishment has been in the market for this equipment up to the present time, may be secured from the Research Department of THE AMERICAN RESTAURANT MAGAZINE.

Restaurant men recognize the fact that poor ventilation kills trade and that good ventilation acts as an appetite stimulant.

Section Six

How to Sell This Industry

The American Restaurant Magazine —

The Oldest National Restaurant Publication

The Key to the Preferred Group of Restaurants

Reaches Jobbers Who Control 90% of Business

Used Exclusively in the Advertising Campaigns of 105 Companies

Carries Double the Number of Advertisers and Almost Twice As Much Advertising Lineage as Any Other Restaurant Publication and More Food Advertising Than All Other Restaurant Magazines Combined

Renders Comprehensive Cooperation

Offers Effective Marketing Counsel

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How to Sell This Industry

• Planning the Sales Program

In the preceding pages, we have endeavored to give you a birds-eye view of the tremendous market for food products, equipment and supplies that the restaurant industry affords. Now let us draw upon our many years of experience in this field for an analysis of the most economical and effective merchandising methods that can be employed to win sales.

First, we must break down the market and analyze its peculiarities.

Under such scrutiny, one fact stands out in striking relief. *Seventy-eight per cent of the total annual business of the industry (over two and a half billion dollars) is done by 23,451 restaurant organizations,* including the 3,500 chain units whose buying is controlled by the 375 headquarters offices.

Thus we see that 20,326 restaurant buyers purchase equipment and supplies to accommodate more than three-fourths of the total annual sales.

It is obvious why the better agencies of distribution should wish to concentrate their major efforts here. By contacting less than one-third of the total number of urban restaurants, they can reach at one time the best credit risks, the most progressive buyers, and the buying strength that comes from handling over 75% of the total sales in the industry.

How to reach this "key sector" most economically and effectively is one of the primary merchandising problems confronting the company which contemplates developing the restaurant market.

• How To Reach the Market

Of fundamental importance in seeking the solution to this problem is the advertising and merchandising assistance of the leading business publication for restaurant operators. The AMERICAN RESTAURANT Magazine is especially well-equipped to aid the manufacturer or selling organization in this work.

Coming into the field in 1919, immediately after the enactment of the prohibition law had brought apparent chaos to the restaurant industry, this publication played a leading role in fostering the introduction of better business methods, in the fight against fly-by-night competition, and in pointing the way for successful accomplishment in this

The Restaurant Industry—A Major Market in the Institutional Group

Restaurants, hotels, hospitals, institutions and clubs comprise what is known as the institutional market. The restaurant field is larger in number of units than all other divisions combined and therefore deserves a proportionate amount of promotional and sales effort. The relative number of units in the various groups is shown below:

Restaurants	58%
Hotels	27
Hospitals	9
Clubs	6
Total for Institutional Field	100%

The restaurant field offers direct, simplified and economical selling to all manufacturers. The buyer is usually the proprietor or manager—or, in the case of chains, the purchasing agent.

Selling to the other groups in the institutional field is more complex and more costly, since proprietors, managers, assistant managers, purchasing agents, stewards, chefs, superintendents, dietitians, contractors and boards of directors are all factors in the buying of supplies.

business despite the loss of easy profits from liquor sales.

Small wonder that these pioneering efforts should have won for The AMERICAN RESTAURANT Magazine the respect, confidence and loyal support not only of the most stable element among restaurant men themselves but of the most progressive jobbers and manufacturers, whose businesses were likewise benefitted by such constructive leadership.

• Well-Balanced Coverage of Field

It is obvious why practically 100% of this publication's circulation should be concentrated in the "buying sector" referred to above. A magazine of such editorial caliber would be of little interest to the less progressive element. A recent check-up showed that *readers of this publication serve an average of 700 meals per day, many of them serving over 10,000.* Further, a survey of outstanding chain systems revealed that this magazine has a 92% coverage in this portion of the field.

Likewise, it is readily apparent why all the worthwhile jobbers in this field are regular subscribers. Less than 200 key jobbers control more than 90% of the business in the restaurant industry. The AMERICAN RESTAURANT is a natural requisite of these enterprising dealers (miscalled jobbers) who

wish to keep fully informed about everything that is going on in the field to which they are selling. The "New Equipment" section, offering full first-hand information about every new product being introduced to the field, is of primary interest to them. The "Trade Topics" section of the magazine is specifically included to give late news of activities among the jobbers and manufacturers. They know that, with few exceptions, the story of every new food or equipment product announced to the restaurant industry is told first in the columns of The AMERICAN RESTAURANT—the oldest and most authoritative magazine in the business. And it is equally significant that these same jobbers should turn first to this publication for information about any product being merchandised in the field. Naturally, such jobber-influence is invaluable to the magazine in assisting a manufacturer to plan his merchandising campaign.

• The Key To Preferred Buyers

The AMERICAN RESTAURANT Magazine is the key to the preferred group of restaurant buyers. *More than 105 companies acknowledged that fact in concentrating their advertising campaigns to the restaurant field exclusively in the pages of this publication last year.* The dominance of this magazine is further evidenced by the fact that *it has carried for the past several years more than double the number of advertisers and almost twice the amount of advertising lineage in any other restaurant publication and more food advertising than all other restaurant magazines combined.*

It is only natural to expect that the leading equipment manufacturers should select this publication, because their sole selling efforts are concentrated in this market and they are thoroughly familiar with conditions in the field. But even more convincing is the choice of this medium to carry more food advertising than all other restaurant publications combined. This is a point worthy of more than casual mention because food has a universal market and is advertised in every publicity channel and every publication selected must stand the acid test as a merchandising force in its own specific field.

• Comprehensive Merchandising Cooperation

Some explanation for such dominance is found in the proven merchandising assistance that the magazine affords its advertisers. Thorough familiarity with the field qualifies the publisher to make suggestions that will enable the advertiser to direct his selling efforts in the most economical and efficient manner. Moreover, he is in a position to offer many special services, such as a list of chains, a list of general jobbers and specialty jobbers, and a bulletin of new and contemplated restaurants (issued monthly to advertisers). Close co-ordination with sales organizations in planning merchandising campaigns, making special surveys to determine the receptiveness of the field towards a particular product, and study of the products themselves to determine their adaptability for use in restaurants are matters to which the publisher gives careful attention.

• Editorial Prestige

But the dominance of The AMERICAN RESTAURANT Magazine in the matter of advertising can be attributed for the most part to the fact that it was built on a solid foundation of editorial prestige. Founded in October, 1919, by the present editor and publisher, C. A. Patterson, *it is the oldest of all the national restaurant publications.* In its first issue a complete survey of the industry was made, the need for a national organization of restaurant operators was pointed out, and the full co-operation of the magazine was offered for the formation of such an association. Two months later, the National Restaurant Association was formed.

The Code of Ethics for the restaurant industry, written by Guy Gundaker, Philadelphia restaurateur, for the National Restaurant Association, was given wide publicity in the columns of The AMERICAN RESTAURANT Magazine and resulted in the widespread adoption of such standards of business practice throughout the industry, regardless of affiliation with the national association. Likewise, this magazine was consulted in the compilation of the standard Sanitary Code for restaurants and has endorsed and published the finished code for the benefit of the entire industry. The fight against the "Greasy Spoon" type of competition was instigated by The AMERICAN RESTAURANT, as was the fight to compel cigar and drug store lunchrooms to conform to the same standards of sanitation as restaurants.

Independent aggressiveness in protecting the interests of restaurateurs has always marked the editorial achievements of The AMERICAN RESTAURANT Magazine. Although it has given full support to the work of all organizations in the industry, it is not and never will be an official organ.

• Marketing Counsel

Many years of intensive merchandising has given the Patterson Publishing Company a clear and penetrating insight into the problems of selling equipment, supplies and food to the leading restaurants of the United States.

The knowledge gained in this way is placed unreservedly at the disposal of advertisers and their agencies.

The Merchandising and Research Departments of The AMERICAN RESTAURANT Magazine specialize in gathering specific information for prospective advertisers as well as for advertisers. These well trained departments will welcome an opportunity to investigate the potential sales possibilities of any product in the restaurant field and will also gladly compile any information desired.

CHICAGO, ILL.
5 So. Wabash Ave.
Tel. Dearborn 6735-6

The AMERICAN RESTAURANT MAGAZINE

MONTHLY
Rate Card
In Effect March 31, 1930

1—General Advertising

	1 time, per issue	6 times, per issue	1 year, per issue
a, b and c Full page	$240.00	$200.00	$180.00
Two-thirds page	180.00	155.00	142.50
Half page	135.00	117.50	110.00
Third page	115.00	102.50	90.00
Quarter page	70.00	60.00	55.00
Eighth page	55.00	42.50	37.50

d Back cover in four colors $500.00 net. Second and third covers in four colors $375.00 net. Guaranteed and preferred position opposite reading matter 10% additional.

Cover positions — Non-cancellable. Inserts furnished by advertiser. $250.00, on yearly basis. Single issues, $300.00. Insert, one side, on yearly basis $200.00. Single issues, $250.00.

Rates for extra colors quoted on application.

e Minimum size of advertisement eighth page. Contracts not completed within one year from date of contract, to be re-billed at rate earned.

2—Classifications Classified advertising 10c a word. Payable in advance. No discounts or commissions.

3—Reading Notices No reading notices will be accepted.

4—Commission and Cash Discount

a Agency commission 15%. Allowed only to agencies recognized by A. A. A. A. or A. B. P.
b Cash discount 2 per cent.
c Cash discount expires ten days from date of invoice.

5—Mechanical Requirements

a Width of column, 2⅛ inches.
b Depth of column, 10 inches.
c Three columns to a page.
d Page size .....7x10 in.
Half page....7x4⅞ or 3⅛x10 in.
Third page....1 col. or 4½x 5 in.
Quarter page..7x2⅜ or 3⅛x4⅞ in.
Eighth page .....3⅛x2⅜ in.
e Closing date, 5th of month preceding date of issue.
f Half-tones should be 120 or 133 screen.
g Engravings must be furnished by the advertiser.

The AMERICAN RESTAURANT MAGAZINE

Published monthly by
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AUDIT BUREAU OF CIRCULATIONS
CHICAGO BUSINESS PAPERS ASSOCIATION
AMERICAN TRADE COUNCIL

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17 WEST 44th STREET, NEW YORK CITY
Pacific Coast Representatives—
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LOS ANGELES, SAN FRANCISCO, SEATTLE

THE LAST WORD IN THE RESTAURANT INDUSTRY

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March 31
OCT 1 [illegible]
Nov. 2
June 3
June 19
[illegible]
OCT 1 7 [illegible]
6.24
MAY 10 1948 5/24
FEB 11 1949
1/21 25 4
APR 12 [illegible]
Jun24'52 2/26

397 Am 3
American restaurant mag.
Market analysis . . .

24Mar'33 J. Freeman Bernard.
MAR 31 1933
APR 10 1933
William G. Calvert
160 [illegible]
apr 26 Englewood, N.J. 1933
OCT 19 1938 P. Tant 200 W90
NOV 1 1938
Oct 26
nov. v
OCT 13 1939 S. H. Hempel
MAY 27 1940 M. Gelber
June 3 276 Riverside Dr.
N.Y.C.
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